

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number: 1660 – 0011

Title: Debt Collection Financial System

Form Number(s): FEMA Form 22-13

A. Justification

**1. Explain the circumstances that make the collection of information necessary.
Identify any legal or administrative requirements that necessitate the collection.
Attach a copy of the appropriate section of each statute and regulation mandating
or authorizing the collection of information. Provide a detailed description of the
nature and source of the information to be collected.**

Under the Debt Collection Act, as amended (31 U.S.C. 3701, et. seq.) and DHS's Debt Collection Regulations (6 C.F.R. 11), the Administrator of FEMA is: 1) required to attempt collection of all debts owed to the United States arising out of activities of the Agency; and 2) for debts not exceeding \$100,000 under the DHS regulations and the provisions of 31 U.S.C. 3711 (a)(2), is authorized to compromise such debts or terminate collection action where it appears that no person is liable on such debt or has the present or prospective financial ability to pay a significant sum or that the cost of collecting such debt is likely to exceed the amount of the recovery. The entire debt collection financial system for disaster payments includes an automated, commercial off-the-shelf (COTS) accounts receivable system - ACCPAC - and the FEMA Form 22-13, Debt Collection Financial Statement. The form is the document used to collect additional debtor personal and financial data in the event the receivable becomes a debt due for non-payment.

The information provided by the debtor on the form is used to evaluate the debtor's financial condition in making determinations of whether to allow installment payment agreements and, if so, to set their terms or to compromise or terminate a debt. This additional financial information is essential to meeting the requirements set forth in the regulations and to apply the various and appropriate collection techniques.

**2. Indicate how, by whom, and for what purpose the information is to be used.
Except for a new collection, indicate the actual use the agency has made of the
information received from the current collection. Provide a detailed description of:
how the information will be shared, if applicable, and for what programmatic
purpose.**

The OCFO, Disaster Finance Branch maintains the ACCPAC system and individuals' debtor files, with their FF 22-13s included as part of the debt file package. This information allows FEMA to perform its functions under the Debt Collection Act, as

amended (31 U.S.C. 3701, et. seq.) and DHS/FEMA's Debt Collection Regulations (6 CFR 11.3 and .4).

When errors in payments occur or reviews/audits determine that overpayments were made in the various disaster entitlement programs; collection personnel from FEMA's Office of the Chief Financial Officer (OCFO), Disaster Finance Branch (DFB) record pertinent receivable data, including individuals' personal data, into an automated, commercial, off-the-shelf (COTS) accounts receivable system - ACCPAC.

Using various screens, DFB personnel establish a receivable in ACCPAC to bill, monitor payments, and produce reports. However, if for lack of payment, an account receivable becomes a debt, ACCPAC continues as the receivable system for billing and collection, but additional personal financial information is gathered on FEMA Form 22-13, Debt Collection Financial Statement and used: 1) to determine the ability of a debtor to pay; 2) to set terms of any installment payment agreement; or 3) to compromise/terminate collection efforts.

If an individual whose receivable is established in ACCPAC cannot make their payments, in order to address possibilities for installment payments, FEMA mails them the FF 22-13 and requests them to provide specific personal financial information concerning their current financial position. DHS/FEMA's debt collection regulations support this collection wherein FEMA is required to maintain current credit data on FEMA's debtors including, the individual debtor's own financial statement, executed under penalty for false claim, concerning his/her assets and liabilities and his/her income and expenses. FEMA Form 22-13, Debt Collection Financial Statement is the vehicle used to collect such data directly from the individual debtor.

With this information, FEMA is able to review and discuss with the debtors their complete financial condition. FEMA also uses this data to determine whether to allow or alter installment payment agreements, what terms to set, and to compromise, suspend, or completely terminate collection efforts on respondents' debts.

Also, this data allows FEMA debt collection specialists to locate the debtor's assets and places of employment should debtors default on their repayment agreements. Since FEMA participates in the Treasury offset programs, these forms, along with the debtors' entire files may be sent to Treasury for collection or the Department of Justice for litigation or termination or for any other judicial enforcement.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

As stated, FEMA uses ACCPAC, a stand-alone, COTS, PC-based, accounts receivable software to track receivables, collections thereon, to bill, and generate reports.

Once received from FEMA, the respondents complete the FF 22-13 manually and submit to FEMA via mail or fax. In FY 2003 for compliance with the Government Paperwork Elimination Act; FEMA prepared to have the Debt Collection Financial Statement available for completion and submission on a secure website. However, since the users of the form are generally in hardship situations, they do not generally have access to computers for electronic activities. Therefore, the automation effort was deemed not practicable or fruitful and is not used at this time. The current technique is for FEMA to mail the form to the respondent debtors and for them to complete it manually and submit it to FEMA via mail or fax.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Except for the debtors' names, social security numbers and other identifying data that are obtained in the disaster assistance application process, re-entry into ACCPAC results in little significant duplication of data. Debtors provide unique information on their own financial condition from their own records. This financial data is not available from any other source.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize.

This Debt Collection Financial System - ACCPAC and the FF 22-13's - deals largely with individuals who have received payments under the disaster programs and usually does not involve any small businesses or other small entities. There may be very rare instances where individual proprietorships are impacted, but if so, there is no increase to burden in such cases.

6. Describe the consequence to Federal/FEMA program or policy activities if the collection of information is not conducted, or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

By using the data provided in the forms, FEMA debt collectors are able to recoup significantly higher amounts through installment repayment agreements. Without the data provided on the Financial Statements, FEMA would not be able to knowledgeably negotiate such agreements and would have to use other, less effective and/or more costly methods of collection.

If FEMA did not maintain automated (ACCPAC) accounts receivable tracking capabilities and when appropriate, collect this necessary financial data, FEMA debt collection specialists would not be cognizant of debtor's financial situations when receivables become debts. This would eliminate information from which to negotiate repayment agreements. In short, without this data, FEMA would not be able to expeditiously collect debts through installment repayment agreements.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) Requiring respondents to report information to the agency more often than quarterly.

There are no such special circumstances. FEMA debtors usually provide the FF 22-13 data only once during the life of the debt when FEMA addresses deficient payments and the debtors desire installment payment agreements. While this generally occurs at the initial time that a debt becomes overdue and action must be taken, based upon the events of each case and the materiality of the debt, installment payment agreements may be revised at any time a payment per an agreement is missed.

(b) Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

In negotiating repayment agreements, FEMA debt collection specialists do not require the debtors to submit the Debt Collection Financial Statement in fewer than 30 days after receipt of it.

(c) Requiring respondents to submit more than an original and two copies of any document.

Debtors submit only an original copy of the Debt Collection Financial Statement to FEMA.

(d) Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years.

FEMA imposes no requirement for debtors to retain the information on the Debt Collection Financial Statement.

(e) In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

FEMA does not use ACCPAC or data from Debt Collection Financial Statements for any statistical purpose.

(f) Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.

See (e) above. FEMA does not use ACCPAC or data from Debt Collection Financial Statements for any statistical purpose.

(g) That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

FEMA makes no pledge of confidentiality to debtors for the data provided on the Debt Collection Financial Statement. Debtors submit the information to assist in addressing an

overdue debt problem. This allows FEMA to share such appropriate data (as needed for collection, i.e., name, address, social security number, and amounts) with the Internal Revenue Service, the Department of Justice, private debt collection agencies, and consumer credit reporting agencies.

(h) Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

FEMA does not require debtors to submit any proprietary trade secrets. The only data required by FEMA was that necessary to receive a disaster entitlement payment which later became a receivable due to overpayment and even later became a delinquent debt. The Debt Collection Financial Statement includes the debtor's personal and financial data - SSN, name, address, places of employment, debt owed, assets owned, and dependents. This data is protected by FEMA in accordance with the Privacy Act (5 U.S.C. 552a). The data is kept in a password protected computer system and the FF 22-13's are kept in files in a locked file room (access controlled) in buildings where entry is also restricted by armed guards.

8. Federal Register Notice:

a. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

A 60-day Federal Register Notice inviting public comments was published on November 1, 2007, volume 72, number 211, Pages 61891. There were no comments received for this data collection.

b. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

For FF 22-13 use, FEMA debt collection specialists generally use telephone conversations with debtors to discuss the debtors' financial condition, as indicated by the Financial Statement, and their ability to repay the debt. No debtor has complained about difficulty in preparing the Statement or in securing the data needed to fill it out.

c. Describe consultations with representatives of those from whom information is to be obtained or those who must compile records. Consultation should occur at least once every three years, even if the collection of information activities is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

FEMA's consultations include telephone conversations with debtors generally discussing the debtors' financial condition, as shown by the Financial Statement, and ability to repay the debt. No debtor has complained about the difficulty in preparing the Statement or in securing the data needed to fill out the form.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

FEMA provides no payments or gifts to its debtors for preparation of the Debt Collection Financial Statements.

10. Describe any assurance of confidentiality provided to respondents. Present the basis for the assurance in statute, regulation, or agency policy.

FEMA provides no assurance of confidentiality to its debtors who provide data on the Debt Collection Financial Statement. The only protection for this data is described in FEMA's System of Records notices published in the Federal Register under the provisions of the Privacy Act. An appropriate Privacy Act statement is included on FEMA Form 22-13.

11. Provide additional justification for any question of a sensitive nature (such as sexual behavior and attitudes, religious beliefs and other matters that are commonly considered private).

FEMA asks only for financial information, not questions of this nature, on this information collection form.

12. Estimates of the hour burden of the collection of information.

a. Number of Respondents. This is an estimated average of the workload of the FEMA Disaster Finance Centers for disaster assistance recipients who have become ineligible for one reason or another and incorrect payments for which recoupments are ongoing.

Frequency of response This is generally a one time collection of data for the respondents. In rare cases, there information updates collected.

Annual hour burden This is an average of the time of conversations FEMA collection personnel spend in talking to respondents to gain/discuss the information.

Annual Hour Burden

Data Collection Activity/Instrument	No. of Respondents	Frequency of Responses	Hour Burden Per Response	Annual Responses	Total Annual Burden Hours
					(Cx D)
FEMA Form 22-13, Debt Collection Financial Statement	1,000	1	.75	1,000	750
TOTAL	1,000	1	.75	1,000	750

b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

N/A

c. Provide an estimate of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost to the respondents of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

Annual Cost to Respondents for Hour Burden

Respondent's Occupational Category	Total Annual Burden Hours	Mean Hour Rate (\$)	Average Cost per Respondent (\$)	Total Annual Cost Burden (\$)
Ave Employer Costs – Private Industry (DOL-BLS – Comp Summary – March 2007)	750	27.82	20.87 (3/4x27.82)	20,865 (750x20.87)
Total	750	27.82	20.87	20,870

13. Estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

a. Operation and Maintenance and purchase of services component.

There are no operation, maintenance or purchase of services cost to debtor respondents in preparing these Statements. The debtor respondents provide the necessary data either from memory or from any of their own records that they maintain.

b. Capital and Start-up-Cost.

There are no capital or start-up costs for the Debt Collection Financial Statement since debtor-respondents provide the necessary data either from memory or from any of their own records that they maintain.

14. Provide estimates of annualized cost to the federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would have been incurred without this collection of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.

Printing: Printing the forms is a one-time, internal operation done every year.

Printing, transportation and storage of these forms is \$.09 per form. With estimated 1000 forms used annually, this cost is \$90/year.

Operational costs for these forms include:

1. Postage cost per form is \$.41 = a total of \$410).
2. Costs of FEMA Debt Collection staff time (estimated at 1 GS-12 at \$43/hour) for about $\frac{3}{4}$ hour per form for evaluation of the data equals \$32.25 per form for 1000 forms equals \$32,250.

Total Annualized Costs With 1000 forms, this results in an annual total cost to the Government of \$32,750.00 ($90 + .410 + 32,250$).

Annual Cost to the Federal Government

Item	Cost (\$)
Contract Costs [None – Form is printed in-house]	0
Staff Salaries- Debt Collection [1 GS 12 (43.00 pr hour for $\frac{1}{2}$ hour to collect and evaluate the data) ($\$43 \times \frac{3}{4} \times 1000 = \$32,250$)	32,250.00
Facilities [cost for renting, overhead, ect. for data collection activity]	N/A
Computer Hardware and Software [cost of equipment annual lifecycle]	
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	
Travel	
Printing [1000 x .09 per form = \$90.00 plus printing staff [1 GS 12 (43.00 pr hour and 1 WG-9 (25.00 pr hr) spending approximately 1 1/2 hours annually to receive and process the print order.) for this data - $\$68 \times 1.5 = \102.00]	192.00
Postage [1000 x .41]	410.00
Other	
Total	\$33,207.00

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I in a narrative form. Present the itemized changes in hour burden and cost burden according to program changes or adjustments in Table 5. Denote a program increase as a positive number, and a program decrease as a negative number.

Itemized Changes in Annual Burden Hours

Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Adjustment (hours currently on OMB Inventory)	Adjustment (New)
FEMA Form 22-13, Debt Collection Financial Statement	300	1000	300	700
Total(s)	300	1000	300	700

Explain:

The major reason for the increased usage of this form is a direct result of Hurricanes Katrina and Rita in August and September of 2005 and their increased disaster payments with resultant debt recoupments. There are no significant increases to direct per form costs of printing this form and collecting its information. There is merely a quantity of use increase.

Itemized Change in Annual Cost Burden				
Data Collection Activity/Instrument	Program Change (Old Cost Burden)	Program Change (New)	Adjustment Old Cost Burden	Adjustment (New)
Difference				
Total(s)	N/A	N/A	N/A	N/A

Explain:

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

There are no reports generated or published from the data. Information collected is for internal FEMA debt collection use only.

17. If seeking approval not to display the expiration date for OMB approval of the information collection, explain reasons that display would be inappropriate.

A valid OMB control number, expiration date and burden disclosure notice will be displayed in all collection's material.

18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

This collection does not seek exception to the certification statement referenced above.

B. Collections of Information Employing Statistical Methods.

N/A. There is no statistical methodology involved in this collection.

