

NATIONAL DIRECT DEPOSIT INITIATIVE

31 CFR 210

OMB No. 0960-0711

A. Justification

1. As per 31 CFR 210 of the *Code of Federal Regulations*, Federal government agencies may disburse funds to the public via direct deposit, when we deposit funds electronically into participating members' bank accounts at accredited Financial Institutions (FIs)/banks. Under the aegis of these regulations, the Social Security Administration (SSA) offers SSA beneficiaries the option of receiving their payments via direct deposit. The direct deposit program is more cost-effective for SSA, and it allows beneficiaries to receive payment faster.

Although many SSA title II beneficiaries choose the direct deposit option, there are many beneficiaries who still receive their payments via paper check. SSA wants to encourage these title II beneficiaries to receive their benefits by direct deposit instead. To that end, the agency is continuing the National Direct Deposit Initiative, a cooperative program with FIs. In this initiative, SSA works with banks to identify title II beneficiaries who have accounts at the participating banks but who still receive their payments via paper check. The banks then send registration forms to these beneficiaries encouraging them to enroll in the Direct Deposit Program.

2. The National Direct Deposit Initiative seeks information from two sources: participating banks and targeted title II beneficiaries. SSA will use information collected from the banks to identify the title beneficiaries who have accounts there, and who would therefore be good candidates for participation in the initiative. SSA then collects information from the title II beneficiaries and uses it to enroll them in the program. Below is a description of the National Direct Deposit Initiative process, and the types of information we collect as part of the initiative.

FI Information

SSA has an agreement with participating FIs to conduct matching operations of the FIs customer database against SSA's Master Beneficiary Record (MBR). This allows us to identify bank customers who are SSA beneficiaries and are not currently enrolled in the direct deposit program. We must collect sufficient beneficiary information to allow the Department of the Treasury, the Federal Reserve System, and the FI to route payment to the beneficiary's account via Electronic Fund Transfer (EFT).

- FIs provide the following information to SSA:
 - SSN
 - Customer Name (First, Middle, Last)
- FIs will exclude customers:
 - Who already have direct deposit of SSA benefits

National Direct Deposit Initiative (0960-0711)
2/4/2021

- Whom SSA has already solicited for participation in the direct deposit program
 - With no valid SSN
 - Known to be deceased
 - Known to be incompetent and/or have a legal guardian
 - Whose access to use of funds is restricted
 - With accounts belonging to entities other than persons
- SSA will use FI database information to match against Title II MBR to identify records:
 - In current pay status
 - With no direct deposit on record
 - With no Representative Payee
 - SSA will return the following data elements to the FI:
 - SSN
 - SSA claim number
 - Current SSA address

Information to be collected from Title II beneficiaries:

- The FI contracts with a private vendor to print and mail a letter to those customers identified in the matching process, offering them a convenient way to sign up for direct deposit.
 - The information mailed to the bank customer includes a returnable form bar-coded with the beneficiary's claim number as well as the bank routing and depositor account information.
 - The beneficiary can indicate their intent to enroll in direct deposit by signing the bar-coded document and returning it to a central SSA location in a stamped, pre-addressed envelope.
 - SSA scans the bar-coded document and processes it through their Title II system. This will enroll the beneficiary for direct deposit with no manual processing or keying.
 - The Model Agreement sets standards for the customer mailer and addresses disclosure and privacy requirements for both SSA and the FI, including a requirement for a written agreement by third party/vendor to comply with the same confidentiality terms as the FI.
3. When possible, SSA will conduct information exchanges with FIs electronically. However, because a third party (i.e., the FIs) distributes and collects the beneficiary registration forms for us, we did not create an electronic version of them under the Government Paperwork Elimination Act. However, we do electronically scan and process the forms (see question #2).
 4. The nature of the information we are collecting and the manner in which we are collecting it preclude duplication. SSA does not use another collection instrument to obtain similar data.
 5. This collection does not impact small businesses or other small entities.
 6. If SSA did not conduct this information collection, we would have no means of working with banks to enroll title II beneficiaries in the Direct Deposit program. This would result in the

agency losing a valuable opportunity to significantly reduce cost to the Government, as Direct Deposit is much more cost-effective than paper checks. Since we will only collect the information once per respondent, we cannot collect it less frequently.

There are no technical or legal obstacles to burden reduction.

7. There are no special circumstances that would cause SSA to conduct this information collection in a manner inconsistent with 5 CFR 1320.5.
8. SSA published the 60-day advance Federal Register Notice on July 11, 2008, at 73 FR 40005, and we did not receive any public comments. We published the 30-day Federal Register Notice on October 2, 2008, at 73 FR 57401. If we receive any public comments in response to the 30-day Notice, we will forward them to OMB.

SSA worked with several participating banks when we first developed the form and MOU in 2008. We did not consult with the public since that time.

9. SSA provides no payment or gifts to the respondents.
10. SSA protects and holds confidential the information we are requesting in accordance with 42 U.S.C. 1306, 20 CFR 401 and 402, 5 U.S.C. 552 (Freedom of Information Act), 5 U.S.C. 552a (Privacy Act of 1974), and OMB Circular No. A-130.
11. The information collection does not contain any questions of a sensitive nature.
12. Below is a chart summarizing the burden information for this collection. The total burden represents burden hours.

Type of Respondent	Information Collection Requirement	Number of Respondents	Completion time (minutes)	Estimated Annual Burden (hours)
Title II Payment Recipients	Direct Deposit Enrollment Form	100,000	2	3,333
Financial Institutions (banks)	Data screening/matching activities; SSA's data management requirements	10	240	40
Totals	-	100,010	-	3,373 hours

13. SSA poses a slight cost burden on FIs for printing and mailing Direct Deposit Enrollment forms (see below). There is no known cost burden to Title II beneficiaries who complete the enrollment form.

Respondent	Cost Requirement	Estimated Cost Per Respondent	
Financial Institutions (FI)	Printing and mailing of 100,000 Direct Deposit Enrollment forms.	\$1,039	\$10,390

14. Since the FIs incur the cost for printing and mailing the National Direct Deposit Initiative Enrollment Form, there is no annual cost to the Federal government for this collection.
15. There is no change to the public reporting burden.
16. SSA will not publish the results of the information collection.
17. OMB granted SSA an exemption from the requirement to print the OMB approval expiration date on its forms. SSA produces millions of public-use forms, many of which have a life cycle longer than that of an OMB approval. SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis). OMB granted this exemption so SSA would not have to stop using otherwise useable forms simply because they had an expired OMB approval date. In addition, we avoid Government waste because we do not have to destroy and reprint stocks of forms.
18. SSA is not requesting an exception to the certification requirements at 5 CFR 1320.9 and related provisions at 5 CFR 1320.8(b)(3).

B. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.