

**Supporting Statement for Forms SSA-2854, Statement of Funds You Provided to Another  
and SSA-2855, Statement of Funds You Received  
20 CFR 416.1103(f)  
(OMB No. 0960-0481)**

**A. Justification**

1. *20 CFR 416.1103(f)* of the *Code of Federal Regulations* states that money an individual borrows, or money received as repayment of a loan is not income to him or her under the Supplemental Security Income (SSI) program. In commercial loan situations there are formal contracts between borrower and lender that establish specific terms of the agreement. However, there are other loans that are negotiated between individuals on an informal basis such as between relatives or friends. In order to determine whether loans such as these are income, we must establish whether the loan is bona fide for SSI purposes.

To be *bona fide* for SSI purposes: (1) there must be an understanding between borrower and lender that the borrower is obligated to repay the money (2) The loan agreement must be in effect at the time that the cash proceeds are provided to the borrower and, (3) the transaction must be enforceable under State law. State requirements generally demand that other conditions be in place before the agreement is a *bona fide* loan.

The SSI program looks at the following components when determining the bona fides of an agreement: the borrower's acknowledgement of an obligation to repay; the timetable and plan for repayment; and the borrower's express intent to repay (e.g., pledge of real or personal property or anticipated future income). *The Act* requires that SSA use the information to determine eligibility for SSI payments, and the independent or collateral sources must verify the information.

SSA uses forms SSA-2854 and SSA-2855 to verify if a beneficiary's loan is bona fide. The authority for collecting the information requested on Forms SSA-2854 and SSA-2855, is contained in *Section 1631(e)(1)(B), Title XVI of the Social Security Act (the Act)*.

2. Forms SSA-2854 and SSA-2855 collect information when the SSI beneficiary alleges that he or she borrowed funds informally from a non-commercial lender, e.g., a relative or friend. The borrower/beneficiary and the lender of the funds complete these statements. Forms SSA-2854 and SSA-2855 are required to determine whether the proceeds from the transaction are income to the borrower. If the transaction constitutes a bona fide loan, then the proceeds are not income to the borrower. SSA will request information from the SSI applicant/beneficiary during a personal interview using Form SSA-2855 (Statement of Funds You Received) . When the applicant/beneficiary completes Form SSA-2855 (Statement of Funds You Received), SSA will request information by mail from the other party to the transaction using Form SSA-2854 (Statement of Funds You Provided to Another). The respondents are SSI recipients who informally borrow money and those persons who lend the funds (who may or may not be SSI beneficiaries).
3. Forms SSA-2854 & SSA-2855 are agency-initiated forms with pre-filled information. These forms are used to document that the informal loan is *bona fide*. This information is not available on an electronic database and only SSI eligible individuals and persons advancing the funds can provide this information. Due to the high risk of payment error, very specific information is necessary; therefore, SSA cannot make this collection electronic at this time.
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 collect similar data.
5. This collection does not have a significant impact on a substantial number of small businesses or other small entities.
6. Collection of the information is necessary when certain individuals apply for or re-affirm eligibility for SSI payments. Not collecting this information would prevent SSA from making accurate eligibility determinations as required by statute. However, because SSA limits use of these forms to situations in which the SSI beneficiary alleges the existence of an informal cash loan, we cannot collect this information less frequently. There are no technical or legal obstacles to prevent 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. The 60-day advance Federal Register Notice published on February 17, 2009, at 74 FR 7506, and SSA received no public comments. The second Notice published on April 24, 2009, at 74 FR 18782. There have been no outside consultations with members of the public.
9. SSA provides no payment or gifts to the respondents.

10. SSA protects and holds confidential the information it is 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. Approximately 20,000 respondents each will use Forms SSA-2854 and SSA-2855 annually. The estimated average response time is 10 minutes per form for 3,333 burden hours per form. SSA always used the forms together, so there are 40,000 respondents per year and 6,667 burden hours. SSA bases this estimate on past usage of the forms. The total burden represents hours, and SSA did not calculate a separate cost burden
13. There are no known cost burden to the respondents.
14. The annual cost to the Federal government is approximately \$184,800.00. This estimate is a projection of the costs for printing and distributing the collection instruments and for collecting the information.
15. There are no changes in the public reporting burden.
16. SSA will not publish the results of the information collection.
17. OMB exempted SSA from the requirement to print the OMB approval expiration date on its program 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 the agency would not have to discontinue using otherwise useable editions of forms with outdated expiration dates. In addition, SSA avoids Government waste, because we will 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. Collection of Information Employing Statistical Methods**

SSA is not using statistical methods for this collection.