

## **SUPPORTING STATEMENT**

### **Justification for:**

"Regulation Governing Payments by the Automated Clearing House Method on Account of United States Securities."

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.** Chapter 31 of Title 31 of the United States Code directs the United States Government to pay principal and interest on obligations of the United States including bonds, notes and bills. In recognition of the need to improve the efficacy and efficiency of its payment system, the Department of the Treasury has undertaken to expand the use of the Automated Clearing House (ACH) method of payment in connection with United States securities. ACH is a service for individuals who authorize the deposit of payments directly into an account at a designated financial institution. The collection of information is necessary to enable an owner of a security to designate a financial institution to receive ACH payments and to identify the deposit account to which payments are to be credited; to enable a financial institution receiving ACH payments with respect to a security, to change a deposit account number and/or type or classification of deposit account; to enable the Department and a financial institution to exchange a pre-notification message and response, respectively; to enable a financial institution to notify the Department when a designated account has been closed or if it is unable to credit the account for any reason, including the death or incapacity of any individual named on the account or the dissolution of an institution; and to enable a financial institution to respond to notice from the Department or a Federal Reserve Bank regarding an erroneous payment and any subsequent action taken to recover such payment.
- 2. Indicate how, by whom, and for what purpose the information is to be used.** The information will be used by employees of the Department of the Treasury, Bureau of the Public Debt, and the various Federal Reserve Banks and branches, acting as fiscal agents of the United States, who as part of their duties perform functions in connection with the sale and issuance of Treasury securities. If the collections of information

were not conducted, the Department of the Treasury would be unable to make payments to an investor via the ACH method payment in lieu thereof.

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. What consideration is given to use information technology to reduce burden?**

The ACH system is a direct deposit method of payment through which participating institutions exchange funds electronically, thereby eliminating unnecessary duplicate paperwork.

4. **Describe efforts to identify duplication. Why can't any similar information already available be used or modified for use for the purposes described in item 2 above? Duplicate information is not requested.**
5. **If the collection of information impacts small business or other small entities describe any methods used to minimize burden? This collection of information does not impact small business or other small entities.**
6. **What consequences to Federal program or policy activities and what, if any, technical or legal obstacles to reducing burden will occur if this collection is not conducted or is conducted less frequently? N/A**
7. **Is this collection of information conducted in a manner consistent with the guidelines of 5 CFR 1320.6? The collection of information cannot be conducted less frequently because the collection is initiated for a single purpose.**
8. **What effort was made to notify the general public about this collection of information? The Bureau's notice was published in the Federal Register on March 26, 2010, Page 14659. No comments were received.**
9. **What decision was made to provide any payment or gift to respondents, other than reenumeration of contractors or grantees? N/A**
10. **What assurance of confidentiality was provided to respondents and what was the basis for the assurance in**

**statute, regulations, or agency policy?** In accordance with the Privacy Act of 1974, information furnished by the public is assured confidentiality.

**11. What justification is there for questions of a sensitive nature?** There are no questions of a sensitive nature.

**12. What is the estimated hour burden of this collection of information?** The burden for this collection is reflected in the burden for the various forms involved.

**13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information?** Estimated cost burden to respondents is not available.

**14. What is the annualized cost to the Federal Government?** N/A

**15. What is the reason for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?** N/A

**16. For collections of information whose results will be published, outline plans for tabulation and publication.** The results of the collection of this information will not be published for statistical use.

**17. If seeking approval to not display the expiration date for OMB approval of this information collection, what are the reasons that the display would be inappropriate?** N/A

**18. What are the exceptions to the certification statement?** N/A