

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

A. Justification

1. Introduction/Authoring Laws and Regulations

Per *20 CFR 416.1103(f)* of the *Code of Federal Regulations* money an individual borrows, or money received as repayment of a loan does not count as income for Supplemental Security Income (SSI). Commercial loans have formal contracts between borrower and lender that establish specific terms of the agreement. However, friends and relatives often engage in informal loan activities with SSI beneficiaries. In those cases, the Social Security Administration (SSA) must decide whether the loan meets the criteria for us to consider it bona fide. SSA collects the information on these forms under authority of Section *1613(e)(1)(B)*, *Title XVI of the Social Security Act*.

2. Description of Collection

SSA uses forms SSA-2854 and SSA -2855 to verify if a loan is bona fide. The SSA-2854 asks the lender for details on the transaction and SSA-2855 asks the borrower the same basic questions independently. Agency personnel then compare the two statements, gather evidence if needed, and make a decision on the validity of the bona fide status of the loan.

For SSI purposes, we consider a loan bona fide if it meets these requirements:

- Must be between a borrower and lender with the understanding that the borrower has an obligation to repay the money, and
- Must be in effect at the time the cash goes to the borrower, that is, the agreement cannot come after the cash is paid, and
- Must be enforceable under State law, often there are additional requirements from the State.

SSA uses forms SSA-2854 and SSA- 2855 to collect information at the time of initial application for SSI benefits or at any point when an individual alleges being party to an informal loan while receiving SSI. These forms are voluntary for both borrowers and lenders. However, without completing the information on the form SSA may not be able to determine eligibility for SSI benefits. SSA collects information on the informal loan by interview and mail. This occurs whenever the agency receives a report or allegation of an informal loan. The agency's field personnel conduct the interviews and mail the form(s) for completion, as needed. The respondents to both forms are individual members of the public.

3. **Use of Information Technology to Collect the Information**

Forms SSA-2854 & SSA-2855 are agency-initiated forms with pre-filled information. 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 the collection electronic at this time.

These forms are available on the Intranet for agency employees to complete. However, SSA did not create an electronic version of form SSA-2854 or SSA-2855 under the agency's Government Paperwork Elimination Act (GPEA) plan because only 20,000 respondents complete each form, and because of the reasons cited above. This is less than the GPEA cut-off of 50,000.
4. **Why We Cannot Use Duplicate Information**

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. **Minimizing Burden on Small Respondents**

This collection does not affect small businesses or other small entities.
6. **Consequence of Not Collecting Information or Collecting it Less Frequently**

SSA needs to collect this information when certain individuals apply for or reaffirm eligibility for SSI payments. If we did not collect the information, SSA would not be able to make accurate eligibility determinations as required by statute. However, because the agency limits its use of these forms to situations in which the SSI beneficiary alleges the existence of an informal loan, we cannot collect this information less frequently. There are no technical or legal obstacles to prevent burden reduction.
7. **Special Circumstances**

There are no special circumstances that would cause SSA to collect this information in a manner inconsistent with 5 *CFR* 1320.5.
8. **Solicitation of Public Comment and Other Consultations with the Public**

The 60-day advance Federal Register Notice published on January 3, 2012, at 77 FR 147, and SSA received no public comments. The second Notice published on March 19, 2012 at 77 FR 16113. If we receive any comments in response to the 30-day Notice, we will forward them to OMB. SSA did not consult members of the public in the development or maintenance of this form.
9. **Payment or Gifts to Respondents**

SSA does not provide payments or gifts to the respondents.

10. **Assurances of Confidentiality**

SSA protects and holds confidential the information it collects 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. **Justification for Sensitive Questions**

The information collection does not contain any questions of a sensitive nature.

12. **Estimates of Public Reporting Burden**

Approximately 20,000 respondents take 10 minutes to complete either form SSA-2854 or SSA-2855 each year. Accordingly, the burden is 6,667 hours.

Form	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)
SSA-2854	20,000	1	10	3,333
SSA-2855	20,000	1	10	3,333
Totals	40,000			6,666

The total burden for this ICR is 6,666 hours. This figure represents burden hours, and we did not calculate a separate cost burden.

13. **Annual Cost to the Respondents (Other)**

This collection does not impose a known cost burden on the respondents.

14. **Annual Cost To Federal Government**

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 instrument and for collecting the information.

15. **Program Changes or Adjustments to the Information Collection Request**

There are no changes in the public reporting burden. However, we separated the two forms into two separate ICs.

16. **Plans for Publication Information Collection Results**

SSA will not publish the results of the information collection.

17. **Displaying the OMB Approval Expiration Date**

OMB granted SSA an exemption from the requirement to print the OMB expiration date on its program forms. SSA produces millions of public-use forms with life cycles exceeding those of an OMB approval. Since 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 destroy stocks of otherwise useable forms with expired OMB approval dates, avoiding Government waste.

18. Exceptions to Certification Statement

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.