

**Supporting Statement for
OMB Clearance**

Federally Assisted State Transmitted Levy

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TABLE OF CONTENTS

Section	Page
A.	JUSTIFICATION.....3
1.	Circumstances Making the Collection of Information Necessary3
2.	Purpose and Use of the Information Collection.....3
3.	Use of Improved Information Technology and Burden Reduction.....4
4.	Efforts to Identify Duplication and Use of Similar Information.....4
5.	Impact on Small Businesses or Other Small Entities.....5
6.	Consequences of Collecting the Information Less Frequently.....5
7.	Special Circumstances Relating to the Guidelines of 5 CFR 1320.5.....5
8.	Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency5
9.	Explanation of Any Payment or Gift to Respondents.....5
10.	Assurance of Confidentiality Provided to Respondents.....5
11.	Justification for Sensitive Questions.....6
12.	Estimates of Annualized Burden Hours and Costs.....6
13.	Estimate of Other Total Annual Cost Burden to Respondents and Record Keepers.....6
14.	Annualized Cost to the Federal Government.....7
15.	Explanation for Program Changes or Adjustments.....7
16.	Plans for Tabulation and Publication and Project Time Schedule7
17.	Reason(s) Display of OMB Expiration Date is Inappropriate.....7
18.	Exception to Certification for Paperwork Reduction Act Submissions.....7
B.	STATISTICAL METHODS8

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The proposed information collection, Federally Assisted State Transmitted (FAST) Levy, is necessary to assist state child support agencies improve their ability to fulfill the statutory requirements to attach and seize financial account assets belonging to an obligor who owes past-due child support.

In cases with a support arrearage, state child support agencies are required to have procedures to secure assets to satisfy any current support obligation and the arrearage by attaching and seizing assets of the obligor, who owes past-due support, held in financial institutions. 42 U.S.C. 666(c)(1)(G)(ii). Currently, state child support agencies send thousands of levy notices to multistate financial institutions that respond to those notices using a paper process.

The federal Office of Child Support Enforcement (OCSE) is required to provide technical assistance to state child support agencies to help them establish effective systems for collecting child and spousal support. 42 U.S.C § 652(a)(7). Therefore, state child support agencies, OCSE and multistate financial institutions collaborated to design a process to improve and automate levy actions. OCSE developed an application for state child support agencies and multistate financial institutions to serve as a centralized location for the secure and efficient method for transmitting levy notification.

The anticipated impact of employing the FAST Levy application is the significant reduction in existing delays to execute a levy notice, thereby diminishing opportunity for an obligor who owes past-due support to withdraw funds and/or close accounts; increase collections of past-due support payments to state agencies and families; cut the states' and multistate financial institutions' administrative and implementation costs of manually executing levy notices; and strengthen security by automating the freeze/seize process.

2. Purpose and Use of the Information Collection

2.1 For what purpose the information is to be used

The purpose of the FAST Levy information collection is to increase the rate at which levy notices are transmitted and improve child support collections from obligors who owe past-due support; reduce opportunity by an obligor who owes past-due support to liquidate assets; and, enhance the ability for state child support agencies to collect and disperse financial support owed to families. FAST Levy will provide child support agencies with a more effective and secure method to transmit levy notices to and receive responses from multistate financial institutions maintaining accounts held by obligors who owe past-due support. By establishing a centralized location for transmitting notices and responses, states will be able to send levy notifications to one location for distribution to multiple multistate financial institutions. Likewise, multistate financial institutions will be able to

receive and respond to levy notifications from multiple states through one location, which will eliminate the need for cost prohibitive individual communication systems between state child support agencies and multistate financial institutions.

2.2 How the information will be used

The electronic exchange of levy notices and responses will be used to expedite the process to attach and seize assets in accounts held by obligors who owe past-due support.

2.3 By whom the information is to be used

The information will be provided by state child support agencies and used by financial institutions to freeze/seize assets belonging to obligors who owe past-due support. Multistate financial institutions will provide information concerning the states' freeze/seize request.

OCSE will not store the information transmitted but will maintain an audit trail of transactions in a separate location. The audit trail will allow OCSE to generate a state audit report to notify state child support agencies of unacknowledged FAST Levy requests. It will also allow OCSE to run a query of previously sent levy notices and responses for states child support agencies and multistate financial institutions.

3. Use of Improved Information Technology and Burden Reduction

The FAST Levy application will improve the time and reduce cost burden for state child support agencies and multistate financial institutions to transmit levy notices because it will eliminate delays currently associated with exchanging paper levy notices and responses. Using a standard record layout containing defined data elements, state child support agencies and multistate financial institutions will use existing systems to transmit levy notices through FAST Levy, which will significantly reduce the amount of time it currently takes for state and financial institution staff to manually process documents. OCSE servers will electronically receive and transmit information contained in levy notices to/from states and multistate financial institutions. Using FAST Levy to transmit levy notifications will reduce administrative and operational cost burdens associated with postage, faxing, copying, and handling incurred by state child support agencies and multistate financial institutions.

4. Efforts to Identify Duplication and Use of Similar Information

There is no other application like FAST Levy available to all child support agencies and multistate financial institutions with the capability to serve as a central source for automated levy notifications.

U.S. Bank and Washington State conduct a similar levy notice exchange but it is a closed system and not accessible to other states and multistate financial institutions.

5. Impact on Small Businesses or Other Small Entities

There is no impact on small business or other small entities.

6. Consequences of Collecting the Information Less Frequently

FAST Levy is automated so the system will continuously retrieve and disseminate levy notices. Collecting the information less frequently will negatively impact child support recipients and their children, impede a state's ability to collect delinquent child support more efficiently, hinder a state's ability to reduce costs, continue current security risks associated with manually processed levy notices, and provide opportunity for obligors who owe past-due support to liquidate assets and close their accounts prior to the multistate financial institution receiving notification from the state to freeze/seize those assets.

7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

Quarterly collections are not sufficient to expedite levy notices to attach and seize assets of an obligor who owes past-due support. On-going transmissions are necessary to ensure state child support agencies have the greatest opportunity to collect child support.

8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency

A notice of the proposed information collection was published in the *Federal Register* at 78 FR 32258 on May 29, 2013, which allowed for a 60-day comment period for the public to submit in writing any comments about this information collection. On July 26, 2013, New York Department of Social Services provided a letter in strong support of the program.

9. Explanation of Any Payment or Gift to Respondents

Respondents did not receive payment or gifts.

10. Assurance of Confidentiality Provided to Respondents

Specific administrative, technical and physical controls are in place to ensure the levy notices and responses transmitted through FAST Levy will be secure and protected from unauthorized access. Logical access controls are also in place for authorized users, which limits access to information.

The FAST Levy application will not store or maintain levy notices and responses. Audit trails will be maintained for one year and then deleted.

11. Justification for Sensitive Questions

OCSE is required by law to operate the Federal Parent Locator Service (FPLS) for the primary purpose of assisting state child support agencies. Sensitive information, if any, is justified because state child support agencies are required to obtain sensitive information pertaining to the establishment of parentage and the establishment, modification, and enforcement of support obligations.

12. Estimates of Annualized Burden Hours and Costs

OCSE estimates that five multistate financial institutions and two states will begin transmitting levy notifications using FAST Levy within the next three years. The state of Washington and the District of Columbia child support agencies provided information on the expected burden and costs to program their systems for FAST Levy. Washington estimated 360 burden hours and the District of Columbia estimated 275 burden hours, resulting in an average of 317.5 burden hours. The estimated burden was also applied to multistate financial institutions. Because FAST Levy is automated, there is only the one-time programming burden and cost.

Table 12.1

Instrument	Number of Respondents	Number of Responses per Respondent	Average Burden Hours Per Response	Total Burden Hours
FAST Levy Response Withhold Record Specifications - Multistate Financial Institutions	5	1	317.50	1587.50
FAST Levy Request Withhold Record Specifications - States	7	1	317.50	2222.50

Estimated Total Annual Burden Hours: 3,810

13. Estimates of Other Total Annual Cost Burden to Respondents and Record Keepers

Respondents will incur a one-time start-up cost to program their systems to transmit levy notifications using FAST Levy. The average wage of the personnel required for such programming (system architects, business analysts, and program developers) provided by the state child support agencies is \$46.67 per hour. Based on the average hours of

programming time and average hourly rate, the total estimated start-up costs for state child support agencies and multistate financial institutions is approximately \$177,800.00, or \$14,816.67 per respondent. There are no on-going or maintenance costs.

14. Annualized Cost to the Federal Government

The FAST Levy application cost OCSE \$193,926.03 to develop and implement. It is a small part of overall operational activities and cost of the Federal Parent Locator Service Child Support Enterprise Services Portal. The estimated annualized cost to the federal government for the entire FPLS Child Support Enterprise Services Portal is \$ 1,035,918.00, which includes federal salaries and benefits of \$169,300.00 and contractor hardware/software costs of \$866,619.00.

15. Explanation for Program Changes or Adjustments

Not applicable. This is a new information collection.

16. Plans for Tabulation and Publication and Project Time Schedule

Not applicable. There are no plans for tabulation and publication.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

Not applicable. The OMB expiration date will be displayed.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable. There are no exceptions to the certification statement.

B. STATISTICAL METHODS

The information collection requirements outlined in this report do not employ the use of statistical methods.