Supporting Statement For
OMB Clearance

Financial Institution Data Match

and

Federally Assisted State Transmitted Levy

(FIDM/FAST Levy)

May 2014

Prepared by:

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
370 L'Enfant Promenade S.W.
Washington, DC 20447

TABLE OF CONTENTS

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

State child support agencies establish procedures under which the state shall enter into agreements with financial institutions doing business in the state for the purpose of securing information that may result in collecting past-due child support.

The federal Office of Child Support Enforcement (OCSE) is authorized through the Federal Parent Locator Service (FPLS) to help state child support agencies and multi-state financial institutions reach agreements regarding the receipt of information pertaining to the location of accounts held by obligors who owe past-due support. OCSE worked with states and multistate financial institutions (MSFIs) to design, develop, and implement an automated data exchange, which is the multistate financial institution data match (MSFIDM) program.

State child support agencies must provide OCSE with the names and Social Security numbers (SSN) or other taxpayer identification numbers belonging to individuals who owe past-due support through the Debtor File, the burden for which is approved under OMB number 0970-0161. Each quarter, OCSE provides these names and SSNs or other taxpayer identification numbers to MSFIs that participate in the MSFIDM program. The MSFIs return the name, record address, SSN or taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support. In order to implement the automated data exchanges, MSFIs must notify OCSE that they want to participate in the centralized match effort and their preferred means of data transmission, dates of transmission, and the names of data services providers, if appropriate. The Multistate Financial Institution Data Match Election Form provides the method for gathering this information.

As a result of the data match described above, state child support agencies send thousands of lien/levy notices via a paper process to MSFIs, which respond to those notices using a paper process. OCSE is required to provide technical assistance to state child support agencies to help them establish effective systems for collecting child and spousal support. Therefore, state child support agencies, OCSE, and MSFIs collaborated to design a process to improve and automate lien/levy actions. OCSE developed a centralized application for state child support agencies and MSFIs to exchange lien/levy information in a secure and efficient manner.

The anticipated impacts of employing the FAST Levy application are: significantly reducing existing delays to execute a levy notice, thereby diminishing opportunity for an obligor who owes past-due support payments to state agencies and families to liquidate assets; cutting the state and MSFI administrative and implementation costs incurred by manually executing lien/levy notices; and strengthening security by automating the lien/levy process.

The FIDM/FAST Levy information collection activities are authorized by: (1) 42 U.S.C. §

652(l), which authorizes OCSE, through the FPLS, to aid state child support agencies and MSFIs in reaching agreements to receive information pertaining to the location of accounts held by obligors who owe past-due support from financial institutions, and transfer it to state child support agencies, of; (2) 42 USC § 666 (a)(2) and (c)(1)(G)(ii), which require state child support agencies to satisfy any current support obligation and the arrearage by attaching and seizing assets of the obligor held in financial institutions in cases in which there is an arrearage to establish procedures to secure assets; (3) 42 U.S.C. § 666(a)(17), which requires state child support agencies to establish procedures under which the state child support agencies shall enter into agreements with financial institutions doing business in the State – (i) to develop and operate, in coordination with financial institutions and the FPLS (in the case of MSFIs), a data match system, using automated data exchanges to the maximum extent feasible, in which a financial institution is required to quarterly provide information pertaining to a noncustodial parent owing past-due support who maintains an account at the institution; and (ii) in response to a notice of lien or levy, encumber or surrender, assets held; (4) 42 USC § 652(a)(7), which requires OCSE to provide technical assistance to state child support enforcement agencies to help them establish effective systems for collecting child and spousal support; and (5) 45 CFR § 303.7(a)(5), which requires state child support agencies to transmit requests for information and provide requested information electronically to the greatest extent possible.

2. **Purpose and Use of the Information Collection**

2.1   For what purpose the information is to be used

OCSE uses the information provided by MSFIs in their Election Form to determine:
- MSFI contact information including the MSFI name, address, phone number, and a point of contact at the institution
- whether the MSFI will participate in the MSFIDM program
- preferred data exchange method
- date to receive first file from OCSE
- transmitter information, if applicable
- whether the MSFI wants the file to go directly to their authorized transmitter
- whether the MSFI wants to change transmitter information or data exchange method

The authorized representative for the MSFI signs the Election Form.

OCSE and MSFIs use the standard financial institution data match record layout to exchange information. OCSE returns matches to the state child support agency responsible for collecting past-due support. In cases with a support arrearage, state child support agencies use the matches returned by the MSFIDM program to secure assets to satisfy the arrearage and any current support obligation by attaching and seizing a delinquent obligor's assets in financial institutions. Currently, state child support agencies use a paper process to send thousands of levy notices to multistate financial institutions, which respond to those notices using a paper process.

OCSE uses the FAST Levy record layout to: centralize, streamline, and increase the rate at which lien/levy notices are transmitted between state child support agencies and MSFIs 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.

2.2   How the information will be used

States submit information about individuals who owe past-due child support obligors to the OCSE Debtor File (approved under OMB number 0970-0161). All states' files are combined into an inquiry file, which is sent to participating MSFIs to match with their account holders. MSFIs return matches to OCSE for dissemination to the states. OCSE sends the response files to the states within 48 hours of receipt, and states use the information to identify an obligor's assets that may be used to collect current and past-due child support.

The electronic exchange of lien/levy notices, FAST Levy, 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

OCSE uses the information provided by MSFIs on their Election Form and in the matches returned through the MSFIDM program. The states use the information to identify accounts belonging to individuals who owe past-due child support. The information may be used for purposes of establishing, modifying, or enforcing a child support obligation.

3.   Use of Improved Technology and Burden Reduction

MSFIs use the Election Form to select the transmission method to receive the file from and return matches to OCSE. Transmission methods currently include using electronic transmissions or encrypted CD-ROM. OCSE is actively working with MSFIs currently receiving and sending CD-ROMs to convert them to electronic transmission. After receiving matches from MSFIs, OCSE transmits the data to the state(s) responsible for collecting past-due support. States use this information to freeze and seize funds in the accounts either by issuing paper notices or using the FAST Levy process.

FAST Levy will improve the time and reduce the cost burden for state child support agencies and MSFIs to transmit lien/levy notices because it will eliminate delays currently associated with exchanging paper documents. Using a standard record layout containing defined data elements, state child support agencies and multistate financial institutions will use existing systems to transmit lien/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.

4.   **Efforts to Identify Duplication and Use of Similar Information**

No similar information is currently being produced in another data match. There is no other process like FAST Levy available to all child support agencies and multistate financial institutions that has the capability to serve as a central source for automated lien/levy transmissions.

U.S. Bank and Washington State conduct a similar lien/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**

42 USC 666 (a)(17)) requires states and financial institutions to conduct a data match each calendar quarter. Conducting the data match less frequently would result in potentially missed collections for families with children. FAST Levy is automated and the system retrieves and disseminates lien/levy notices between states and MSFIs daily. Collecting the information less frequently will negatively impact child support recipients and their families, impede a state's ability to collect delinquent child support more efficiently, hinder a state's ability to reduce costs, and provide an 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**

The Election Form is required one time at the onset of the match and when the MSFIs changes their transmitter or data exchange method. The data match process occurs quarterly using the standard financial institution data match specifications/record layout. FAST Levy runs daily to ensure state child support agencies have the greatest opportunity to
collect past-due 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 79 FR 6906 on February 5, 2014, which allowed for a 60-day comment period for the public to submit to in writing any comments about this information collection. No comments were received.

9.   Explanation of Any Payment or Gift to Respondents

Respondents did not receive payment or gifts.

10.   Assurance of Confidentiality Provided to Respondents

The Secretary of Health and Human Services is required by law to establish and implement safeguards to restrict access and use of confidential information to authorized persons. 42 U.S.C. 653(m). For purposes of section 1113(d) of the Right to Financial Privacy Act of 1978, a disclosure pursuant to 42 U.S.C. 652 (l) shall be considered a disclosure pursuant to federal statute. In addition, each state must have in effect safeguards designed to protect privacy rights. 42 U.S.C. 654(26). All state data are transmitted over secure and dedicated lines to the Federal Offset database.

Specific administrative, technical, and physical controls are in place to ensure the multistate financial institution data matches and 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.

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. Social Security numbers are collected as a data element of the information collection. This collection is required in order to guarantee that the correct person is matched to the identified financial account and the financial institution freezes/seizes the correct person's account

12.   Estimates of Annualized Burden Hours and Costs

For the data match program, the total number of respondents changes from week to week depending on mergers and acquisitions and new financial institutions that may elect to participate. As of December 31, 2013, there were a total of 295 transmitters who submit data to OCSE on behalf of 4,688 financial institutions. (While some financial institutions and transmitters report for themselves (such as Bank of America), other transmitters will report for a large number of financial institutions (such as Fiserv (Financial Services Technical Solutions)).

The transmitter performs the match and returns the response file to OCSE. The 295 transmitters can return match results to OCSE in two ways; 1) via encrypted CD-ROM or 2) electronically. Currently 112 transmitters return data via encrypted CD-ROM; and 183 return data electronically. There is no hourly burden for those transmitters returning data

electronically, only those who chose to return data via CD-ROM

Financial institutions or transmitters that wish to start participating in the match need to send in an Election Form, which is a binding agreement between OCSE and the financial institution or transmitter. It is the first step in setting up a financial institution to participate in the MSFIDM program. An average of 30 Election Forms are sent to OCSE annually.

For FAST Levy, OCSE estimates that five multistate financial institutions and two states will begin transmitting levy notifications using FAST Levy within the next three years. Because FAST Levy is automated, there is only the one-time programming burden and cost.

Table 12.1   Respondents' Hour Burden

Instrument	Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
Financial Data Match Result File	112	4	.33[1]	147.84
Financial Data Match Result File – Automated	183	1	0	0
Election Form	30	1	0.5	15
FAST Levy Response Withhold Record Specifications: State Child Support Enforcement Agencies	7	1	317.5[2]	2,222.5
FAST Levy Response Withhold Record Specifications: Multistate Financial Institutions	5	1	317.5	1,587.5

Estimated Total Annual Burden Hours: **3,972.84**

---

[1]Three financial institutions were polled regarding the average burden hours per response for manual processing of the Data Match Result File: Logix FCU; Bank of America Overseas Military; and Wings Financial FCU. The average time to manually process the file is 20 minutes, or .33 hours.

[2] 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.

Table 12.2 Respondents' Cost for Hour Burden

Instrument	Number of Respondents	Average Annualized Cost Per Respondent[3]	Average Annualized Cost per Response[4]	Total Annualized Cost[5]
Financial Data Match Result File	112	$48.95	$12.24	$5,481.91
Election Form	30	$22.44	$22.44	$673.20
Total				$6155.11

The estimated hourly cost for financial institutions to process the quarterly file is $37.08, based on information received from a transmitter.

Using figures from the Bureau of Labor Statistics (BLS), the average hourly rate for financial analysts and managers at a financial institution, who would be responsible for completing the election form, is $44.88.

New participants have an additional one-time cost burden based on filling out and submitting the election form. The estimated total annual cost burden for new participants is $673.20.

There are no ongoing annual costs for FAST Levy.

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

The data match system is already in place, therefore there is no capital or start-up cost burden to respondents for the MSFIDM program. The annual operating and maintenance costs are minimal. Costs to participate exclusive of hour burden are CPU time and mailing costs.

Three financial institutions were polled regarding the average time it takes for their system to process the Data Match Result File: Logix FCU; Bank of America Overseas Military; and Wings Financial FCU. The average time for CPU time is 26.6 minutes, or $399, based on $15 per CPU minute.[6] At $13 per overnight courier mailing, four times per year, multiplied

---

[3] Average annualized cost per respondent was calculated by multiplying the burden hours by the hourly cost and then dividing by the number of respondents.

[4] Average annualized cost per response was calculated by dividing the cost per respondent by the number of responses per respondent.

[5] Total annualized cost was calculated by multiplying the number of respondents by the average annualized cost per respondent.

[6] Estimated CPU cost is based on OCSE's experience from our reimbursement agreement with our data center provider.

by 112 transmitters, the total cost comes to $5,824 for mailing the match tape. The total cost per response for the match tape is $412.

The estimated total annual cost burden on the 112 respondents sending a CD-ROM is $190,058, including $5,482 for manual processing, $5,824 for mailing, and $178,752 in CPU costs.

The estimated total annual cost burden on the 183 transmitters sending match data through an automated electronic match is $292,068, based on CPU costs only.

The Election Form costs are minimal because the majority of participating financial institutions send their completed Election Form electronically via e-mail.

The total annual cost to all respondents is $482,799.

14.   **Annualized Cost to the Federal Government**

Annualized cost to the federal Government is $818,752 for the MSFIDM program. This includes federal salaries of $97,410 (including both Federal Parent Locator Service and Social Security Administration data center employees), and $721,343 in additional costs. This includes the system development and technical assistance contracting costs, telecommunications, security, data quality, and software and hardware costs incurred by OCSE in association with the e-IWO contractor costs of $132,000, and CPU costs of $9,000. The MSFIDM application and program are primarily in an operations and maintenance lifecycle phase. The decrease in annualized costs reflects efficiencies and automation that has been developed over time, as well as minimal modernization and enhancement activities.

The FAST Levy application cost OCSE $153,829 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 total cost to the federal government is $972, 581.

15.   **Explanation for Program Changes or Adjustments**

The FIDM Specifications Handbook and Election Form include minor program changes which clarify verbiage and bring it up to date. An additional program change was also made to the Election Form to exclude the CD-ROM file exchange option. It will no longer be an option for new participants to the program. These changes do not impact the respondent burden.

_____

The burden hour for the FIDM information collection was adjusted from the previous approval to reflect a decrease in the respondent burden hour from 402.88 to 162.84. OCSE has determined that the 295 transmitters are receiving and submitting files for all the financial institutions, with 112 transmitters using encrypted CD-ROMs, and 183 receiving and sending data electronically. Each of these transmitters submits information on behalf of multiple financial institutions, so that they can combine the multiple submissions into a single file. This results in the same amount of data being transmitted, but with fewer respondents and hours due to economies of scale.

Since the data match is system to system, there is little to no burden on respondents. For the 183 transmitters that receive and return the file electronically, there are no labor hours associated with the match. The systems have already been programmed to automatically run the matching, without human intervention. The burden hours for the remaining 112 transmitters that use CD-ROMs, alternatively, are minimal. This is due to the fact that the only labor involved for financial institutions is physically opening the CD-ROM and uploading the file to their system. From there, the system conducts the match automatically, based on scheduling timeframes and does not require "person" hours. OCSE has adjusted the numbers to accurately reflect how many entities are submitting files.

There are no adjustments for FAST Levy.

The cost burden was adjusted to reflect an increase from the previous approval, which is due to the inclusion of the CPU time required to process the files. For the 2007 submission, the burden estimates only included mailing costs for the respondents. However, further research has helped OCSE quantify the labor and CPU costs associated with actually processing the response file, and we have included those numbers in this submission.

16.   Plans for Tabulation and Publication and Project Time Schedule

Aggregate information from the Financial Institution Data Match is analyzed and published annually in the Child Support Enforcement Annual Report to Congress. The information collected will not be used for statistical purposes. FAST Levy will not be tabulated or published.

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.

PART B – STATISTICAL METHODS

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