

2014 - SUPPORTING STATEMENT
(OMB #0575-0184)

Form RD 1951-65, Customer Initiated Payments (CIP)
Form RD 1951-66, FedWire Worksheet
Form RD 3550-28, Authorization Agreement for Preauthorized Payments

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Rural Development uses electronic methods for receiving and processing loan payments and collections. These electronic collection methods are approved by Treasury and include Customer Initiated Payments (CIP), FedWire, and Preauthorized Debits (PAD). The Agency that collects CIP information under this paperwork burden submission is the Utilities Programs. The Agencies that collect FedWire and PAD information under this paperwork burden submission are the Housing and Community Facilities Programs, Business and Cooperative Programs, and Utilities Programs.

These electronic collection methods provide the borrower the ability to submit their loan payments the day prior to or the day of their installment due date. The benefits of these electronic payment methods include elimination of the mail time for submitting and receiving collections thereby giving borrowers use of their funds for a longer period; reduction in loan delinquencies; and improved efficiency for the Government and the borrower.

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). The information requested on the form is required under various provisions of title 15 U.S.C. 1601, 12 CFR 205, and 31 CFR 202, for the purpose of providing authority to the Department of Treasury to designate financial institutions to collect payments, by electronic means, from an account. The information will be used for identification with the records of the government agency and the financial institution to direct the payments to the point authorized. No deduction may be made unless a signed authorization form is received. Failure to furnish this information may delay or prevent the collection of these payments through the Automated Clearing House System.

To administer these electronic payment methods, Rural Development must collect the borrower's financial institution (FI) routing information (routing information includes the FI routing number and the borrower's account number). Rural Development uses Agency approved forms for collecting this FI routing information.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

Rural Development requests that the borrower make payments electronically via CIP, FedWire, or PAD. In order to do this, Rural Development is seeking extension of Agency forms for collecting FI routing information for CIP, FedWire, and PAD collections. If the information were not collected, Rural Development would be unable to collect loan payments electronically.

Specifically, the burden to be cleared is described as follows.

FORMS

Form RD 1951-65, "Customer Initiated Payments (CIP)".

This form is prepared by the borrower to enroll in CIP. CIP is an electronic collection method that enables borrowers to input payment data via internet website. Borrowers using the CIP method receive a monthly or quarterly billing statement from Rural Development showing the amount and date their loan payment is due. When the borrower schedules the CIP payment through the website, the loan payment is electronically transferred from the borrower's designated FI account and credited to Rural Development's Treasury account for the requested effective date. Rural Development updates and credits the borrower account for the payment.

Form RD 1951-66, "FedWire Worksheet".

The borrower completes this form to establish the electronic FedWire format with their FI to ensure the FedWire is sent to Rural Development's account with Treasury. FedWire is an electronic collection method that enables borrowers to electronically transfer loan payments from their designated FI account and credit Rural Development's Treasury account.

The borrower's FI initiates the electronic payment on the date specified by the borrower and funds are transferred to Rural Development's Treasury account. The borrower receives credit for payment on the date the payment is received in Rural Development's Treasury account.

Form RD 3550-28, "Authorization Agreement for Preauthorized Payments".

The form is prepared by the borrower to authorize Rural Development to electronically collect regular loan payments from a borrower's account at a FI as preauthorized debits. For each installment due date, Rural Development initiates a PAD electronic payment file which is converted by Treasury to an Automated Clearing House file for withdrawal of payments from individual borrower FI accounts. PAD collections are electronically transferred from the borrower's account and credited to Rural Development's Treasury account.

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, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

In compliance with the E-government Act, Rural Development currently has an e-commerce website (<http://forms.sc.egov.usda.gov/eForms/>) on which forms prepared by the public are posted. Forms RD 1951-65 and 3550-28 are posted to the e-commerce website. This provides borrowers with the capability to download the form from the internet for completion. Form RD 1951-66 will not be posted to the eForm Web site due to operational control procedures.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

There is no duplication of information. For CIP, the borrower provides the contract bank with their FI routing information one time. This information is not collected again unless the FI routing information changes. For FedWire, the borrower can provide their FI with a one-time FedWire record format for transferring loan payments to Rural Development's Treasury account. For PAD, the borrower provides Rural Development with bank routing information one time.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The information collection required in this regulation places no burden on small businesses or other small entities beyond that, which is performed in normal business practice.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If this information collection is not conducted, Rural Development could not electronically collect loan payments, resulting in increased costs to borrowers and the Government to process hard copy checks, money orders, etc. Although there is no legal requirement for the Government to receive electronic collections, Treasury encourages electronic banking techniques.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- a. Requiring respondents to report information more than quarterly.

The borrower FI routing information is collected only one time unless the routing information changes (e.g., borrower changes FI).

b. Requiring written responses in less than 30 days.

The borrower FI routing information may be required in less than 30 days in order for the electronic payment to be made by the installment due date. However, Rural Development will accept hardcopy checks, money orders, etc. if the CIP, FedWire, or PAD account cannot be established by the installment due date.

c. Requiring more than an original and two copies.

Rural Development has no requirements for more than an original and two copies.

d. Requiring respondents to retain records for more than 3 years.

There are no instances requiring respondents to retain records for more than 3 years.

e. Not utilizing statistical sampling.

There are no such requirements.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

There is no instance where Rural Development is using statistical sampling which has not been reviewed and approved by OMB.

g. Requiring a pledge of confidentiality.

There is no pledge of confidentiality required.

h. Requiring submission of proprietary trade secrets.

There is no provision requiring submission of proprietary trade secrets.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

In accordance with the Paperwork Reduction Act of 1995, a Notice was published in the Federal Register on June 27, 2014, 79 FR 36457, soliciting comments on the information collection. No comments were received.

Rural Development made efforts to consult with persons outside the Agency when the forms were originally approved to ensure that the burden was reasonable, necessary, and kept to a minimum.

Consultations with persons outside the Agency were made to obtain their views. Based on these contacts no revisions were made to any forms or instruction to clarify certain issues. The following offered their views:

JoAnn Franklin
Treasury, Financial Management Service
Washington, DC
202-874-6881
Joann.franklin@fiscal.treasury.gov

April Simons
Office Manager
Wiggins Telephone Assn.
PO Box 690
Wiggins, CO 80654
970-483-7343
april@wigginspel.com

Jeanna Powell
Office Manager
Central Arkansas Telephone Coop
PO Box 130
Bismarck, AR 71929
501-865-4530
jeannap@catc.net

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

There will be no payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.

Borrower FI routing information is considered confidential and is protected under the Privacy Act of 1974 (P.L. 93-579).

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

No questions of a sensitive nature are required.

12. Provide estimates of the hour burden of the collection of information.

This renewal submission has a total of 6,723 respondents and responses totaling 3,259 burden hours. See attached spreadsheet for a detailed breakout of burden.

Form RD 1951-65, CIP Enrollment Form:

.25 hours X \$21.28/hr X 125 respondents = \$ 665

Form RD 1951-66, FedWire Worksheet:

.25 hours X \$21.28/hr X 284 respondents = \$ 1,511

Form RD 3550-28, Authorization Agreement for Preauthorized Payments:

.50 hours X \$21.28/hr X 6,314 respondents = \$ 67,181

Total Annual Cost to Respondents = \$ 69,357

13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information.

There are no capital/startup or operation and maintenance costs.

14. Provide estimates of annualized cost to the Federal Government.

We estimate the annualized cost to the Federal Government to be \$88,806 based on 2 FTE's at a grade 7, step 5.

The annualized cost to administer the electronic collection of loan payments is less costly to the Government and the borrower compared to the processing costs associated with hardcopy checks, money orders, etc.

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I.

This package reflects an increase of 1,732 in the number of respondents and responses to 6,723; thereby increasing the number of burden hours by 968 to 3,259 from the previous submission. This increase is due to an increase in borrowers and an increase in their ability to benefit from electronic payments.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

Information collected will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The Agency is not seeking approval to not display the expiration date for OMB approval.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-I.

There are no exceptions requested.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept?

The Service Center Initiative will have no effect on how Rural Development will collect this FI routing information. The information contained in this collection cannot be shared because it is program specific to Rural Development only.