

SUPPORTING STATEMENT FOR VA FORM 5655  
FINANCIAL STATUS REPORT  
(2900-0165)

Justification:

1. VA Form 5655, Financial Status Report, is used to determine eligibility for waiver of collection, for the acceptance of a compromise offer or for a payment plan. VA collects debts as authorized in 31 USC 3711 and 3716 – 3718, 38 USC 5314 and 5316 and 5 USC 5514. Information collected on VA Form 5655 is required for evaluating waiver request under 38 USC 5302 and 38 CFR 1.965. The same information is also required to consider installment payments (38 CFR 1.917), compromise (38 CFR 1.931), suspension of collection (38 CFR 1.941), or termination of collection (38 CFR 1.942). VA may provide VA Form 5655 to individuals subject to offset of VA payments other than salary and monthly VA benefits under 38 CFR 1.912, and to employees subject to offset of salary under either 38 CFR 1.982 (salary offset for debts involving VA benefits) or 38 CFR 1.983 (salary offset for debts not involving VA benefits).
2. Blank VA Forms 5655 are attached to first collection letters sent to debtors owing VA benefit debts. Submission of the completed form is voluntary on the part of the debtor unless they requests waiver of collection, makes a compromise offer, requests a payment plan or establish their inability to pay the debt under any circumstances. Federal employees subject to salary offset may use Form 5655 to support their contention that the proposed offset schedule would create extreme hardship. The information obtained with the form enables VA Debt Management Center, VA regional offices, Federal Salary Offset hearing officers at other agencies and other deciding committees and boards to determine the financial status of debtors exercising their rights under the statutes and regulations listed above. In most cases, the information on the form is in sufficient detail to allow a determination without the necessity of resorting to commercial credit reports or field examinations, unless they are absolutely necessary to supplement or validate information of record or to prevent dissipation of assets.
3. VA Form 5655 is available for download from Debt Management Center's Web site, <http://www1.va.gov/debtman>, in portable document format. One version of the form is fillable on the website. The document must be printed and both the debtor and their spouse must sign and date it. To ensure security, privacy and program integrity, the document must be submitted by mail or fax.

4. We know of no area of duplication in the collection of this information. The information is specific to an individual and is an opportunity for the debtor to provide current financial information.
5. The collection of this information does not involve small businesses or entities.
6. Collection of the information solicited on VA Form 5655 by other means and involuntarily would be expensive, time consuming and, necessarily, intrusive. Consumer reports do not offer the reliability and scope of information as that provided by debtors, themselves.
7. There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.
8. The Department notice was published Tuesday, February 10, 2015, page 7529, Vol. 80, No. 27. VA received no comments.

Specific consultations outside the Department were not made since the parties involved are completing the form satisfactorily.

9. A decision to provide any payment or gift to respondents does not apply.
10. VA Form 5655, Financial Status Report, is maintained in the Veteran's claims folder and may be stored in electronic format at the Debt Management Center. Information entered on the form is protected from unauthorized disclosure by 38 USC 5701.
11. None of the questions on the form are considered to be of a sensitive nature.
12. Debt Management Center anticipates 95,570 individuals will complete VA Form 5655, annually. This number is projected based upon first-demand letters dispatched last fiscal year, experience that Chapter 33 education debtors generally have three debts established at one time, the DMC experience of 25 percent of mail returned by the United States Postal Service and the likelihood of 35 percent of first-demand letter recipients returning a completed VA Form 5655 to request waiver, compromise offer or apply for a payment plan. The estimated annual burden for the collection of the information is 95,570 hours.
13. The annual cost to the public is \$2,293,680; calculated as follows:

The cost of completing 95,570 forms is \$2,170,398 based on 60 minutes completion time at the Bureau of Labor Statistics "All Occupation" mean hourly wage of \$22.71 per hour.

14. Estimated annualized costs to the Federal Government: \$448,206 calculated as follows:

The cost of inserting and mailing 364,077 forms is \$347,854 based on a cost of \$0.53 for each form mailed. The costs of the envelope and the insertion operation are traditionally quoted as a bundle.

The cost for processing the VA Form 5655 is \$100,352. This cost is based on processing 95,570 forms; three minutes per form at \$24.11 per hour. The hourly rate is based on the Office of Personnel Management General Schedule (GS) 2015 pay tables for the mean pay grade of the GS employees performing the task.

15. Debt Management Center continues to experience a surge in compensation and pension debts as well as education debts. We believe the increase in compensation and pension debts is attributable to the focus on improper payments within the Veterans Benefits Administration as well as maintenance processing on established claims. We believe the increase in education debts is directly related to the 9/11 GI Bill education program.
16. The information to be collected is not for publication.
17. The collection instrument, VA Form 5655, may be reproduced and/or stocked by the respondents and Veterans Service Organizations. This VA form does not display an expiration date. If required to display an expiration date, unnecessary waste of existing stock would occur. These forms are submitted to OMB for approval every three years. As such, an expiration date requirement would delay Department action on the benefit being sought or right being exercised. VA also seeks to minimize the costs to itself for collecting, processing and using the information disclosed. For the reasons stated, VA continues its request for an exemption to the requirement to display an expiration date on VA Form 5655.
18. This submission does not contain any exceptions to the certification statement.