



## U.S. Department of Justice

Executive Office for United States Trustees

Office of Oversight

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May 27, 2016

### MEMORANDUM

TO: Lynn Murray  
DOJ Clearance Officer

FROM: Doreen Solomon  
Assistant Director

SUBJECT: Request for Renewal Approval by the Office of Management and Budget of the  
"Application for Approval as a Nonprofit Budget and Credit Counseling Agency"

This memorandum and the attached materials are submitted under the Paperwork Reduction Act, 44 U.S.C. § 3501, *et seq.*, to authorize the United States Trustee Program (Program) to extend and revise the information collection request (ICR) entitled, "Application for Approval as a Nonprofit Budget and Credit Counseling Agency" (Application). This ICR was previously approved by the Office of Management and Budget for three years under 1105-0084.

By way of background, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA) enacted amendments to the Bankruptcy Code that took effect on October 17, 2005. The BAPCPA requires an individual debtor to meet with an approved nonprofit budget and credit counseling agency to receive credit counseling and a budget analysis within 180 days prior to filing for bankruptcy relief. 11 U.S.C. § 109(h)(1). The United States Trustee Program (Program) must approve all nonprofit budget and credit counseling agencies (agency) that wish to provide credit counseling services to debtors. 11 U.S.C. § 111(a)-(e). Before an agency can be approved, the United States Trustee (UST) must review the agency's qualifications under the standards set forth in the statute, and may require the agency to provide information needed for this review. 11 U.S.C. § 111(b)-(c). Approved agencies are named on a publicly available list in each federal judicial district where they are deemed qualified to counsel debtors. 11 U.S.C. § 111(a). The application enables the Program to solicit expressions of interest from agencies wishing to participate and to collect the information needed to determine if an agency meets the statutory standards. 11 U.S.C. § 111.

Agencies are approved for a probationary period not to exceed six months. The Program may approve an agency for an additional one year period, and then for successive one year periods if the agency demonstrates it meets the standards set forth under 11 U.S.C. § 111 and can satisfy such standards in the future.

The ICR as provided in the revised Application is necessary to carry out the Program's statutory mandate in determining whether an agency is in compliance with statutory standards and should be approved for a six-month period or an additional one year period pursuant to 11 U.S.C. § 111. The collected information will enable the Program to assess each applicant's eligibility for approval under statutory standards that include providing qualified counselors; maintaining adequate provision for the safekeeping and payment of client funds; providing adequate counseling with respect to client credit problems; and dealing responsibly and effectively with other matters relating to the quality, effectiveness, and financial security of the services it provides.

The attached Application has been revised in order to make several questions and the corresponding instructions more clear, and several questions have been added to obtain better information about the employment relationships and/or compensation arrangements between agencies and/or their directors or officers, and any attorneys with whom they may have agreements for discounts or special rates. In addition, the option permitting an applicant to check "NC" or No Change has been eliminated from Section 5 (Fees and Fee Waivers) and Section 8 (Appendices). Applicants will now be required to complete these sections each year, as they were required to do before the Program instituted the "NC" option. The information contained in these sections is critical to the Program's evaluation of the applicant's eligibility for approval and submission of the best and most current information is necessary for that evaluation. Please note, however, that these revisions will not substantially affect the completion time.

The following documents are contained in the attached ICR package:

1. OMB Form 83-I, Paperwork Reduction Act Submission.
2. Supporting Statement for the Paperwork Reduction Act Submission.
3. Application, instructions and appendices used to collect the information.
4. Law or authority mandating the information collection.
5. 60-day ICR Notice for publication in the Federal Register.
6. 30-day ICR Notice for publication in the Federal Register.

Your favorable consideration of this request will be greatly appreciated. If there are any questions concerning the ICR, please contact Carrie Weinfeld at (202) 307-1399.

Attachments