

**Supporting Statement For
OMB Clearance**

Multistate Financial Institution Data Match

and

Federally Assisted State Transmitted Levy

(MSFIDM/*FAST* Levy)

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A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

State child support agencies must 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 multistate financial institutions (MSFIs) reach agreements regarding the receipt of information pertaining to the location of financial accounts held by obligors who owe past-due support. OCSE worked with states and MSFIs to design, develop, and implement an automated, centralized, and secure information exchange program, the Multistate Financial Institution Data Match (MSFIDM).

To participate in the MSFIDM, MSFIs must notify OCSE that they want to participate in the data match effort and complete the standard Multistate Financial Institution Data Match Election Form (Election Form) to select their preferred means of data transmission, dates of transmission, and the names of data services providers, if appropriate.

State child support agencies must provide the names and Social Security numbers (SSN) or other taxpayer identification numbers belonging to individuals who owe past-due support to OCSE through the Debtor File (OMB Control No: 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.

As a result of the MSFIDM program, 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 Federally Assisted State Transmitted Levy (*FAST Levy*), a centralized application for state child support agencies and MSFIs to exchange lien/levy information securely and efficiently.

State child support agencies and MSFIs that use the *FAST Levy* application experience significantly reduced delays in executing a levy notice, thereby diminishing the opportunity for an obligor who owes past-due support payments to state child support agencies and families to liquidate assets; cutting state child support agencies' and MSFI's administrative and implementation costs that are incurred by manually executing lien/levy notices; and, strengthening security by automating the lien/levy process.

The MSFIDM/*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 U.S.C. § 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 U.S.C. § 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

Information collected for MSFIDM/FAST Levy is used for child support enforcement purposes.

OCSE uses the information provided by MSFIs in their Election Form, which is signed by the authorized MSFI representative, 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 its authorized transmitter
- whether the MSFI wants to change transmitter information or data exchange method

OCSE and MSFIs use the standard financial institution data match record layout for the automated data match. State child support agencies submit information about individuals who owe past-due support to the OCSE Debtor File (OMB number 0970-0161). All state child support agencies' files are combined into an inquiry file, which is sent to participating MSFIs to match with their account holders. MSFIs return the data matches to OCSE to disseminate within 48 hours to the state child support agency responsible for collecting past-due support. In cases with a support arrearage, state child support agencies use the data match outcomes of the MSFIDM program to identify accounts belonging to individuals who owe past-due support and secure assets to satisfy the arrearage and any current support obligation by attaching and seizing a delinquent obligor's assets in financial institutions.

FAST Levy is used by some child support enforcement agencies to expedite the process to attach and seize financial assets in accounts held by obligors who owe past-due support. Participating state child support agencies and MSFIs use OCSE's *FAST Levy* record layout for programing their systems 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.

3. Use of Improved Technology and Burden Reduction

In an effort to reduce the burden on respondents, OCSE offers two methods of electronic transmissions for the MSFIDM. MSFIs use the Election Form to select the transmission method to receive the file from and return matches to OCSE through the OCSE's Child Support Portal (OMB No.0970-0370) or through Secure File Transfer Protocol (SFTP) exchanges with the Social Security Administration, the agency that houses the MSFIDM application.

OCSE is also working with state child support agencies and MSFIs to implement *FAST Levy* because this process will improve the time and reduce the cost burden for state child support agencies and MSFIs to transmit lien/levy notices. To convert to *FAST Levy* for transmitting lien/levy notices, state child support agencies and MSFIs will program their existing systems according to OCSE's standard record layout, which contain defined data elements. *FAST Levy* will significantly reduce the cost and the amount of time it currently takes for state child support agency and financial institution staff to manually process documents, which will also eliminate delays currently associated with exchanging paper documents.

4. Efforts to Identify Duplication and Use of Similar Information

The MSFIDM program is unique. Additionally, there is no other process like *FAST Levy* that is available to all child support agencies and MSFIs 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 MSFIs.

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 U.S.C. 666 (a)(17)) requires state child support agencies 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 state child support agencies and MSFIs daily. Collecting the information less frequently will negatively impact child support recipients and their families, impede a state child support agency's ability to collect delinquent child support more efficiently, hinder a state child support agency'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 child support agency 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 change 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 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 82 FR 8428 on January 25, 2017, 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 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 February 28, 2017, there were a total of 280 transmitters who submit data to OCSE on behalf of 3,753 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 280 transmitters can return match results to OCSE either electronically via the Child Support Portal or using SFTP. There is no hourly burden for those transmitters returning data via SFTP. For the respondents using the Portal, there is an estimated five minute burden per response to upload or download files. There are no programming costs for the transmitter to change transmission methods; the record specifications are the same for both transmission methods.

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 can be used to set up a new financial institution opting to participate in the MSFIDM program or to report updates to previously reported information. OCSE does not anticipate new MSFIs to participate so there is no programming burden estimates associated with the MSFI record specifications; however, an average of 30 Election Forms are sent to OCSE annually, which takes approximately 30 minutes (0.5 hours) to complete and submit. Of the 30 Election Forms received during the past year, all were sent by current MSFIDM participants to update transmitter or contact information.

The *FAST* Levy Record Specifications were revised to add two new response codes to an existing field to clarify customer account status. These response codes were requested by the financial institutions to prevent follow-up phone inquiries on account status. Current respondents provided burden hour estimates to complete the one-time reprogramming.

OCSE estimates that three new multistate financial institutions and six states will begin transmitting levy notifications using *FAST* Levy within the next three years. For this

estimate, we assumed one new financial institution and two new states per year, and provide the one-time programming burden and cost for this automated process.

Table 12.1 Respondents' Hour Burden

Information Collection	Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
Financial Data Match Result File-Portal	192	4	5 minutes ¹	64
Election Form	30	1	0.5	15
<i>FAST</i> Levy Response Withhold Record Specifications: Current Financial Institutions Users to Program New Codes	1	1	65 ²	65
<i>FAST</i> Levy Response Withhold Record Specifications: Current State Child Support Agencies to Program New Codes	3	1	65	195
<i>FAST</i> Levy Response Withhold Record Specifications: Financial Institutions	1	1	1,716	1,716
<i>FAST</i> Levy Request Withhold Record Specifications: State Child Support Agencies	2	1	1,610	3,220
Estimated Total Annual Burden Hours:				5,275

Table 12.2 Respondents' Cost for Hour Burden

Information Collection	Number of Respondents	Total Number of	Average Annualized	Total Annualized
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¹ Estimate is approximately 5 minutes per response. For calculation, use 5/60.

² Estimate is an average based on input from OCSE's matching partners.

		Responses	Cost per Response³	Cost
Financial Data Match Result File - Portal	192	768	\$3.08	\$2,365.44
Election Form	30	30	\$26.38	\$791.40
<i>FAST</i> Levy Record Specifications: Current Financial Institutions Users to Program New Codes	1	1	\$2,321.15	\$2,321.15
<i>FAST</i> Levy Record Specifications: Current State Child Support Agencies to Program New Codes	3	3	\$2,321.15	\$6,963.45
<i>FAST</i> Levy Response Withhold Record Specifications: New Multistate Financial Institutions	1	1	\$61,278.36	\$61,278.36
<i>FAST</i> Levy Request Withhold Record Specifications: New State Child Support Agencies	2	2	\$114,986.20	\$229,972.40

Total **\$303,692.20**

Using figures from the Bureau of Labor Statistics (BLS) for wage rates, the average hourly rate for financial analysts who would need to manually upload or download a file, is \$37. For the total annual costs, the total hours are multiplied by the hourly wage rate (\$37/60 or 0.616 per minute x 5 minutes = \$3.08 per response).

The hourly rate for financial managers at a financial institution, who would be responsible for completing the Election Form, is approximately \$52.76. It takes an estimated 30 minutes to complete the form; therefore, half of the hourly wage (\$26.38) was used to calculate the cost burden to complete the form.

The estimated *FAST* Levy burden hour costs for financial institutions and state agencies are the estimated hourly cost for computer programmers (\$35.71/hour) to reprogram or program, as applicable.

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

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

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 costs are for central processing unit (CPU) time to process the financial data match results file four times a year. To determine estimated CPU time costs, three financial institutions (Logix FCU, Bank of America Overseas Military, and Wings Financial FCU) shared their CPU times, the average of which is 26.6 minutes, or \$319.20, based on \$12 per CPU minute. The annual cost to process a data match results file four times a year for 280 transmitters is approximately \$357,504⁴. Any maintenance costs are usual and customary for system upkeep.

14. Annualized Cost to the Federal Government

Annualized cost to the federal government is \$1,161,831 for the MSFIDM and *FAST Levy* applications. This includes the system development and technical assistance contracting costs, telecommunications, security, data quality, and software and hardware costs incurred by OCSE. The MSFIDM application and program are primarily in an operations and maintenance lifecycle phase.

15. Explanation for Program Changes or Adjustments

The title of this information collection was revised from “FIDM *FAST Levy*” to “MSFIDM *FAST Levy*” to accurately reflect that financial institutions are multistate (“MS”). This program change has no impact on the respondents.

The MSFIDM Record Specifications and Election Form include minor program changes, which clarify verbiage and bring it up to date. These changes do not impact the respondent burden. The burden hour for the MSFI data match information collection was adjusted from the previous approval to reflect a decrease in the respondent burden hour from 147.84 to 64. The change in the burden hour is a result of OCSE converting the MSFIs from the CD-ROM option to either the SFTP or to the child support portal options for the data match. More respondents are using SFTP, which requires no hourly burden; therefore, the burden hour for the MSFI data match information collection pertains only to the MSFIs using the portal option.

The *FAST Levy* Record Specifications were revised to add two new response codes to an existing field to clarify customer account status. These response codes were requested by the financial institutions to prevent follow-up phone inquiries on account status. Adding the response codes to the record specifications constitutes a program change. While the number of *FAST Levy* respondents decreased from the previously approved estimates to reflect the actual number of respondents, the overall burden hour was adjusted from the previous approval to reflect the one-time programming for new respondents and re-programming requirement for MSFIs and state child support agencies to include the new response codes, which increased the *FAST Levy* information collections by two and the burden hour from 3,810 to 5,196 hours.

⁴ Estimated CPU cost is based on OCSE’s experience from our reimbursement agreement with our data center provider.

The total estimated burden hour for the MSFIDM/*FAST* Levy information collection increased from 3,972.84 to 5,275 hours.

Respondents now transmit their MSFI data match result files electronically; therefore, the burden cost was adjusted to reflect the increased costs associated with the increase in CPU time by all transmitters, as provided in #13.

16. Plans for Tabulation and Publication and Project Time Schedule

Aggregate information from the MSFIDM 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 information 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.