

Narrative of Changes

The purpose of the Narrative of Changes is to clearly indicate changes to a collection since the previous approval.

Collection Title: Debt Collection Financial Statement

OMB Control No.: 1660-0011

Current Expiration Date: 8/31/2017

Collection Instruments: FEMA Form 127-0-1

The following are the changes to the collection:

FEMA Form 127-0-1, there has been some changes to this form. See Forms Revision Chart uploaded in ROCIS.

Supporting Statement:

Question 2 - This form is also used to adjudicate employee requests for waiver of employee debt, FEMA may share this information with the Department of Homeland Security who has delegated authority to approve waiver requests greater than \$10,000 and Department of Justice who has authority to approve waiver requests greater than \$100,000.

Question 3 - Current and former FEMA employees may use this form to address waivers of employee debts. Depending on the type of underlying debt, FEMA employees will send the completed form to the FEMA Finance Center (FFC) or OCCHCO by USPS or fax. The FFC and OCCHCO scan the documents into FEMA's SharePoint system.

Only authorized FEMA staff have access to this information. In FY 2010 for compliance with the Government Paperwork Elimination Act (GPEA); FEMA endeavored to have the Debt Collection Financial Statement available for completion and submission on a secure Internet website. However, due to the hardship conditions of our respondents (i.e., lack of access to the Internet) the process remains unchanged despite expanded access to the internet. FEMA discusses the information required on FEMA Form 127-0-1 with the respondents, and then mails the form to them to complete manually and return to FEMA via mail or secure fax for further processing. The form is also available for download and printing from the FEMA website.

Question 6 - By using the data provided on the form, FEMA is able to recoup a significantly higher number of debts and dollar amounts through installment repayment agreements. Without the data provided on the financial statements, FEMA would not be able to knowledgeably negotiate such agreements and would have to use other, less effective and/or more costly methods of collection. In addition, FEMA would be unable to appropriately adjudicate requests for waiver of employee debt in accordance with 5 U.S.C. § 5584, which authorizes the waiver, in whole or in part, of claims made by the United States against an employee for erroneous payments or overpayments where collection of the debt would be against equity and good conscience and is not in the best interests of the United States.

If FEMA did not maintain automated (ACCPAC) accounts receivable tracking capabilities and, when appropriate, collect this necessary financial data, FEMA would not be cognizant of the debtor’s financial situation when receivables become debts. FEMA would not be able to negotiate equitable installment repayment agreements if this information was eliminated.

Estimated Annualized Burden Hours and Costs								
Type of Respondent	Form Name / Form Number	No. of Respondents	No. of Responses per Respondent	Total No. of Responses	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Avg. Hourly Wage Rate	Total Annual Respondent Cost
Individuals or Households	Debt Collection Financial Statement / FEMA Form 127-0-1	300	1	300	45 minutes	225	\$33.92	\$7,632
Total		300		300		225		\$7,632.00

• Note: The “Avg. Hourly Wage Rate” for each respondent includes a 1.46 multiplier to reflect a fully-loaded wage rate.

Question 8a – Updated to reflect FRN publication information.

Question 10 – Updated to reflect current privacy information.

Question 12a – Estimation of Respondents decreased from 2,000 to 300 as a result of updated policy.

Question 12c – Number of form respondents decreased. See Question 15 for explanation.

Question 14 – Costs to the Federal Government updated.

Question 15 – Burden hour decrease explained.

Itemized Changes in Annual Burden Hours						
Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (hours currently on OMB Inventory)	Adjustment (New)	Difference
Debt Collection Financial Statement / FEMA Form 127-0-1				-1,500	+300	-1,200
Totals				-1,500	+300	-1,200

For FEMA Form 127-0-1, the current annual hour burden is 1,500 hours, the new hour burden is 300 for a decrease of 1,200 annual hour burden.

FEMA is making a greater effort to provide installment agreements to those with debts to the agency in an effort to collect overpayments made to those disaster assistance recipients that were

provided assistance funds exceeding allowable levels. There have been some changes in the information being collected using FEMA Form 127-0-1. The decrease in the annual hour burden is due to a policy change, which enables FEMA Debt Collectors to verbally negotiate payment plans by telephone. The program updated their Standard Operating Procedures (SOP) in 2016, in which the procedures changed and required a little more information. Therefore, changes were made to FEMA Form 127-0-1. The updated annual hour burden takes into consideration the small number of employee waiver requests that are filed each year.