



U.S. Department of Justice

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Office of Oversight

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August 1, 2019

MEMORANDUM

TO: Melody Braswell
Department Clearance Officer for Paperwork Reduction Act

FROM: Robert S. Gebhard
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, and is set to expire on November 30, 2019.

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). Procedures and criteria to be used by the United States Trustee Program when determining whether applicants seeking to become and remain approved agencies satisfy all the statutory prerequisites are set forth in final rule. 28 C.F.R. §§ 58.12 - 58.24 (Rule). 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 and the corresponding instructions have been revised to ensure that the documents conform to the text of the Rule as written, and to make additional minor changes. The revisions will have no impact on the time required to complete the Application.

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 Juliet Drake at (202) 307-3698.

Attachments