

2020 - SUPPORTING STATEMENT  
(OMB #0575-0184)

Form RD 1951-65, Customer Initiated Payments (CIP)  
Form RD 1951-66, FedWire Worksheet  
Form RD 3550-28, Authorization Agreement for Preauthorized Payments  
Form RD 3350-28A, Authorization Agreement for Preauthorized Payments

A. Justification

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

Rural Development uses electronic methods for receiving and processing loan payments and collections. These electronic collection methods are approved by Treasury and include Customer Initiated Payments (CIP), FedWire, and Preauthorized Debits (PAD). The Agency that collects CIP information under this paperwork burden submission are Housing and Community Facilities and the Utilities Programs. The Agencies that collect FedWire and PAD information under this paperwork burden submission are the Housing and Community Facilities Programs, Business and Cooperative Programs, Water and Environmental Programs and Utilities Programs.

These electronic collection methods provide the borrower the ability to submit their loan payments the day prior to or the day of their installment due date. The benefits of these electronic payment methods include elimination of the mail time for submitting and receiving collections thereby giving borrowers use of their funds for a longer period; reduction in loan delinquencies; and improved efficiency for the Government and the borrower.

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). The information requested on the form is required under various provisions of title 15 U.S.C. 1601, 12 CFR 205, and 31 CFR 202, for the purpose of providing authority to the Department of Treasury to designate financial institutions to collect payments, by electronic means, from an account. The information will be used for identification with the records of the government agency and the financial institution to direct the payments to the point authorized. No deduction may be made unless a signed authorization form is received. Failure to furnish this information may delay or prevent the collection of these payments through the Automated Clearing House System.

To administer these electronic payment methods, Rural Development must collect the borrower's financial institution (FI) routing information (routing information includes the FI routing number and the borrower's account number). Rural Development uses Agency approved forms for collecting this FI routing information.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Be specific. If this collection is a form or a questionnaire, every question needs to be justified.**

Rural Development requests that the borrower make payments electronically via CIP, FedWire, or PAD. In order to do this, Rural Development is seeking extension of Agency forms for collecting FI routing information for CIP, FedWire, and PAD collections. If the information were not collected, Rural Development would be unable to collect loan payments electronically.

Specifically, the burden to be cleared is described as follows.

## **FORMS**

### **Form RD 1951-65, "Customer Initiated Payments (CIP)".**

This form is prepared by the borrower to enroll in CIP. CIP is an electronic collection method that enables borrowers to input payment data via internet website. Most borrowers using the CIP method receive a monthly or quarterly billing statement from Rural Development showing the amount and date their loan payment is due. When the borrower schedules the CIP payment through the website, the loan payment is electronically transferred from the borrower's designated FI account and credited to Rural Development's Treasury account for the requested effective date. Rural Development updates and credits the borrower account for the payment.

### **Form RD 1951-66, "FedWire Worksheet".**

The borrower completes this form to establish the electronic FedWire format with their FI to ensure the FedWire is sent to Rural Development's account with Treasury. FedWire is an electronic collection method that enables borrowers to electronically transfer loan payments from their designated FI account and credit Rural Development's Treasury account.

The borrower's FI initiates the electronic payment on the date specified by the borrower and funds are transferred to Rural Development's Treasury account. The borrower receives credit for payment on the date the payment is received in Rural Development's Treasury account.

### **Form RD 3550-28, "Authorization Agreement for Preauthorized Payments" Form RD 3350-28A, "Authorization Agreement for Preauthorized Payments-CLSS"**

The form is prepared by the borrower to authorize Rural Development to electronically collect regular loan payments from a borrower's account at a FI as preauthorized debits. For each installment due date, Rural Development initiates a PAD electronic payment file which is converted by Treasury to an Automated Clearing House file for withdrawal of payments from individual borrower FI accounts. PAD collections are electronically

transferred from the borrower's account and credited to Rural Development's Treasury account. Form RD 3550-28A is completed by Commercial Loan Servicing System (CLSS) borrowers.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden and specifically how this collection meets GPEA requirements**

In compliance with the E-government Act, Rural Development currently has an e-commerce website (<http://forms.sc.egov.usda.gov/eForms/>) on which forms prepared by the public are posted. Forms RD 1951-65 and 3550-28 and 3550-28A are posted to the e-commerce website. This provides borrowers with the capability to download the form from the internet for completion. Form RD 1951-66 is not be posted to the eForm Web site due to operational control procedures.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

There is no duplication of information. For CIP, the borrower provides Rural Development with their FI routing information one time. For FedWire, the borrower provides their FI with a one-time FedWire record format for transferring loan payments to Rural Development's Treasury account. For PAD, the borrower provides Rural Development with bank routing information one time. This information is not collected again unless the FI routing information or account number changes.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

The information collection required in this regulation places no burden on small businesses or other small entities beyond that, which is performed in normal business practice.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

If this information collection is not conducted, Rural Development could not electronically collect loan payments, resulting in increased costs to borrowers and the Government to process hard copy checks, money orders, etc. Although there is no legal requirement for the Government to receive electronic collections, Treasury encourages electronic banking techniques.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

**a. requiring respondents to report information to the agency more often than quarterly;**

The borrower FI routing information is collected only one time unless the routing information changes (e.g., borrower changes FI).

**b. requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

The borrower FI routing information may be required in less than 30 days in order for the electronic payment to be made by the installment due date. However, Rural Development will accept hardcopy checks, money orders, etc. if the CIP, FedWire, or PAD account cannot be established by the installment due date.

**c. requiring respondents to submit more than an original and two copies of any document;**

Rural Development has no requirements for more than an original and two copies.

**d. requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**

There are no instances requiring respondents to retain records for more than 3 years.

**e. in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

There are no such requirements.

**f. requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

There is no instance where Rural Development is using statistical sampling which has not been reviewed and approved by OMB.

**g. that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

There is no pledge of confidentiality required.

**h. requiring respondents to submit proprietary trade secrets, or other confidential information, unless the agency can demonstrate that it has instituted**

**procedures to protect the information's confidentiality to the extent permitted by law.**

There is no provision requiring submission of proprietary trade secrets.

**8. If applicable, provide a copy and identify the date and page number of Publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and in response to the PRA statement associated with the collection over the past three years, and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years — even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

As required by 5 CFR 1320.9(d), the Agency published a 60-day Notice in the Federal Register on April 14, 2020, Docket#: RHS-20-NONE-00010; [Vol 85, No. 72, page number 20662,] soliciting comments on the information collection. The public was given until June 15, 2020 to comment. No public comments were received.

Rural Development made efforts to consult with persons outside the Agency when the forms were originally approved to ensure that the burden was reasonable, necessary, and kept to a minimum.

We have received positive feedback from each field office contacted. The customer only signs the form and takes it to their Financial Institution to have the banking information completed. This is the same process for the original PAD form. They all stated that the instructions were easy to follow and the form and process were simple to complete and was not a burden on them for the time required to complete the process. Based on these contacts no revisions were made to any forms or instruction to clarify certain issues. The following offered their views:

Loan Assistant  
USDA Rural Development Dover Office  
1221 College Park Drive, Suite 200  
Dover, DE 19904-8713

Business and Cooperative Loan Technician  
USDA Rural Development Penobscot Office  
3060 US Route 1, Suite B1  
Scarborough, ME 04074-7640

Area Technician  
USDA Rural Development Massillon Office  
2650 Richville Drive SE, Suite # 102  
Massillon, OH 44646

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There will be no payments or gifts to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

Borrower FI routing information is considered confidential and is protected under the Privacy Act.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

No questions of a sensitive nature are required.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

**\* Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

**\* If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**

**\* Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate**

**categories. The cost of contracting out or paying outside parties for information collection activities should not be included here.**

This submission is for 9,598 responses and 2,399.50 burden man hours. It takes an estimated 15 minutes to complete forms RD 3550-28, RD 3550-28A 1951-65 and RD 1951-66. The time required to complete these information collections are estimates based on consultations with shareholders and include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

There were two wage classes used. For the RBS/RUS borrower, used the Bureau of Labor Statistics wage class for “First-Line Supervisor of Office and Administrative Support of \$28.53 ([https://www.bls.gov/oes/current/oes\\_nat.htm#43-0000](https://www.bls.gov/oes/current/oes_nat.htm#43-0000)). For RHS single family borrowers, used the average income for the borrowers of \$36,137 for \$20.26/hr.

The breakdown for total cost to respondents is as follows:

Title	Form No.	Respondents	Hrs.	Wage Class	Total Cost
Authorization Agreement for Preauthorized Payments (RBS/RUS borrowers)	Form RD 3550-28	5,360	0.25	\$28.53	\$38,230.20
Authorization Agreement for Preauthorized Payments (SFH borrowers)	Form RD 3550-28	3,906	0.25	\$20.26	\$19,783.89
Authorization Agreement for Preauthorized Payments-CLSS	Form RD 3550-28A	65	0.25	\$28.53	\$463.61
Customer Initiated Payments (CIP)	Form RD 1951-65	142	0.25	\$28.53	\$1,012.82
FedWire Worksheet	Form RD 1951-66	125	0.25	\$28.53	\$891.56
		9,598			\$60,382.08

See attached spreadsheet.

**13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)**

**\* The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors**

including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

\* If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

\* Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no capital/startup or operation and maintenance costs.

**14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.**

We estimate the annualized cost to the Federal Government to be \$98,032 based on 2 FTE's at a grade 7, step 5. Salary is based off the OPM Salary Table (Rest of the United States – RUS) 2020.

The annualized cost to administer the electronic collection of loan payments is less costly to the Government and the borrower compared to the processing costs associated with hardcopy checks, money orders, etc.

**15. Explain the reasons for any program changes or adjustments in hour or cost burden.**

This package reflects a 913 increase in responses and 1,843 decrease in burden hours. This is due to an increase in respondents for the housing program and a decrease in completion of Forms 3550-28/A.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**



Information collected will not be published.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The Agency is not seeking approval to not display the expiration date for OMB approval.

**18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."**

There are no exceptions requested.

**19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept?**

The Service Center Initiative will have no effect on how Rural Development will collect this FI routing information. The information contained in this collection cannot be shared because it is program specific to Rural Development only.