

**Multistate Financial Institution Data Match**

**and**

**Federally Assisted State Transmitted Levy**

**(MSFIDM/*FAST* Levy)**

**OMB Information Collection Request**

**0970 – 0196**

**Supporting Statement Part A - Justification**

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Submitted By:

Office of Child Support Enforcement  
Administration for Children and Families  
U.S. Department of Health and Human Services

## SUPPORTING STATEMENT A – JUSTIFICATION

### 1. Circumstances Making the Collection of Information Necessary

Collecting information for the Multistate Financial Institution Data Match (MSFIDM) and Federally Assisted State Transmitted (FAST) Levy programs is necessary to fulfill statutory requirements for child support enforcement.

State child support agencies (“state agencies”) are federally required to implement a data matching process with financial institutions to secure financial account information that may result in collecting past-due child support from an obligor.

The federal Office of Child Support Enforcement (OCSE) must provide technical assistance to state agencies to help them establish effective systems for collecting child and spousal support. OCSE has authority to develop agreements and conduct a data match through the federal parent locator service (FPLS). Through the technical assistance requirement, OCSE worked with state agencies and multistate financial institutions (MSFIs) to design, develop, and implement an automated, centralized, and secure information exchange program, MSFIDM.

Because of the MSFIDM program, state agencies send thousands of paper lien/levy notices to MSFIs, and the MSFIs send paper responses to those notices. OCSE worked with state agencies and MSFIs to develop a process to automate and improve lien/levy actions. This collaboration resulted in the “Federally Assisted State Transmitted Levy” (*FAST Levy*), a centralized application for state agencies and MSFIs to electronically exchange lien/levy information securely and efficiently.

State agencies and MSFIs that use the *FAST Levy* application experience significantly reduced delays and costs in executing lien/levy notices. Expedited lien/levy notices reduce the opportunity for an obligor, who owes past-due support payments to state agencies and families, to liquidate assets. State agencies and MSFIs experience lower administrative costs by eliminating the time it takes for respondents to manually prepare paper lien/levy notices and postage costs for mailing. Security and privacy protections are strengthened by the secure, automated transmission method.

The MSFIDM/*FAST Levy* information collection activities are authorized by:

(1) 42 U.S.C. § 652 (l), pursuant to 12 U.S.C. § 3413(d), is a federal statutory exception to section 1113(d) of the Right to Financial Privacy Act of 1978, which prohibits a financial institution from providing financial information without prior notice or authorization of the customer; (2) 42 U.S.C. § 652(l), which authorizes OCSE, through the FPLS, to aid state agencies and MSFIs in reaching agreements to receive information from MSFIs about the location of accounts held by obligors who owe past-due support and transferring it to state agencies; (3) 42 U.S.C. § 666 (a)(2) and (c)(1)(G)(ii), which requires state agencies to establish procedures to secure assets to satisfy any current support obligation and arrearage by attaching and seizing assets of the obligor held in financial institutions;

(4) 42 U.S.C. § 666(a)(17), which requires state agencies to establish procedures under which the state 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 provide quarterly, 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; (5) 42 U.S.C. § 652(a)(7), which requires OCSE to provide technical assistance to state agencies to help them establish effective systems for collecting child and spousal support; and, (6) 45 CFR § 303.7(a)(5), which requires state agencies to transmit requests for information and provide requested information electronically to the greatest extent possible.

OCSE made minor edits to the MSFIDM and *FAST* Levy record specifications to clarify language; therefore, this request is for a revision of a currently approved information collection.

## **2. Purpose and Use of the Information Collection**

The purpose of the MSFIDM/*FAST* Levy information collection is to enhance child support enforcement. MSFIs must notify OCSE they want to participate in the data match effort and complete the standard MSFIDM Form (“Election Form”) to select their preferred method of data transmission, dates of transmission, and the names of data services providers, if appropriate. OCSE uses the information that MSFIs provide in their Election Form to determine:

- the MSFI contact information includes the MSFI name, address, phone number, and a point of contact at the institution
- whether the MSFI will participate in the MSFIDM program
- the preferred data exchange method
- the date to receive the first file from OCSE
- the transmitter information, if applicable
- whether the MSFI wants the file to go directly to its authorized transmitter
- whether the MSFI wants to change the transmitter information or the data transmission method

State agencies submit information about individuals who owe past-due support to the OCSE Debtor File (OMB # 0970-0161). OCSE provides a quarterly inquiry file containing Debtor File information to participating MSFIs to match with account holder information. The MSFIs return data to OCSE, which includes the name, address, Social Security Number (SSN) or taxpayer identification number, and other identifying information for each noncustodial parent owing past-due support who maintains an account at the MSFI. OCSE disseminates the data match outcomes within 48 hours to the state agency responsible for collecting past-due support. Upon receipt of MSFIDM outcomes from OCSE, the state agencies can seize the account(s) in the financial institution to satisfy the past due and any current support obligation. State child support agencies may use *FAST* Levy to quickly seize financial assets in accounts held by obligors who owe past-due support. This improves child

support collections; reduces the opportunity for the obligor to liquidate assets; and, enhances the ability for state agencies to collect and disperse financial support owed to families.

### **3. Use of Improved Information Technology and Burden Reduction**

To reduce the burden, respondents may send and receive MSFIDM information through OCSE's Child Support Portal (OMB # 0970-0370) or through Secure File Transfer Protocol (SFTP) exchanges with the Social Security Administration, the agency that houses the MSFIDM application. MSFIs use OCSE's standard financial institution data match record layout for one-time programming of files used in the automated SFTP data match or files to upload and download through the Portal.

OCSE is also working with state agencies and MSFIs to implement *FAST* Levy to reduce cost associated with manually processed documents. To convert to the *FAST* Levy lien/levy notice process, state agencies and MSFIs will program their existing systems according to OCSE's standard record layout.

The file format used in existing electronic banking systems is the "ANSI X9.129 standard format" ("X9"). OCSE programmed the *FAST* Levy application to accept the "X9" formatting as an incentive to increase the participation of MSFIs without imposing any burden on banking systems.

### **4. Efforts to Identify Duplication and Use of Similar Information**

The national and centralized sources for MSFIDM program and automated *FAST* Levy processes are unique to OCSE. U.S. Bank and Washington state conducted a similar lien/levy notice exchange, but it was 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 businesses or other small entities.

### **6. Consequences of Collecting the Information Less Frequently**

42 U.S.C. § 666 (a)(17) requires agencies and financial institutions to conduct the data match each calendar quarter. Conducting the data match less frequently will result in violating federal law and, potentially, missed collections for families with children.

Collecting the *FAST* Levy information less frequently will negatively affect child support recipients and their families because it impedes the state agency from collecting delinquent child support more efficiently. It also prevents the state agency from reducing costs and gives obligors, who owe past-due support, an opportunity to liquidate assets and close their accounts before the multistate financial institution receives notification from the state agency to freeze and seize those assets.

### **7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5**

There are no special circumstances for the data match. For MSFIs, completing the Election

Form is required only at the onset of the match, or if the MSFIs change their transmitter or data exchange method. *FAST Levy*'s automated transmissions occur daily to ensure state agencies have the greatest opportunity to freeze an obligor's assets to collect past-due support.

## **8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency**

In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13) and Office of Management and Budget (OMB) regulations at 5 CFR Part 1320 (60 FR 44978, August 29, 1995), OCSE published a notice in the Federal Register at 85 FR 47217 on August 2, 2020. The notice announced OCSE's intention to seek OMB approval of, and provided a 60-day comment period for the public to submit any comments about, this information collection activity. OCSE did not receive comments.

## **9. Explanation of Any Payment or Gift to Respondents**

Not applicable.

## **10. Assurance of Confidentiality Provided to Respondents**

OCSE assures the privacy of respondent information to the greatest extent possible under federal law. 42 U.S.C. § 653(m) requires the Secretary of Health and Human Services to establish and implement safeguards to restrict access and use of confidential information to authorized persons. 42 U.S.C. § 654(26) provides that each state must have safeguards in effect designed to protect privacy rights.

OCSE has specific administrative, technical, and physical controls in place to ensure the multistate financial institution data matches, the levy notices, and the responses transmitted through *FAST Levy* will be secure and protected from unauthorized access. Logical access controls that limit access to information are also in place for authorized users. OCSE and respondents transmit all data over secure and dedicated lines.

## **11. Justification for Sensitive Questions**

To facilitate child support programs, state agencies must obtain sensitive information identifying the individuals pertaining to the establishment of parentage and the establishment, modification, and enforcement of support obligations. Social Security numbers are a required data element of the information collected to guarantee that the correct person is matched to the identified financial account and the financial institution freezes and seizes the correct person's account.

## 12. Estimates of Annualized Burden Hours and Costs

Information Collection Instrument	Number of Respondents	Number of Responses Per Respondent	Average Burden Hours Per Response	Annual Burden Hours	Average Hourly Wage	Total Annual Cost
Financial Data Match Record Specifications Match File Upload/Download: Portal Users	184	4	.083	61.1	\$78.44	\$4,792.68
Election Form	15	1	.5	7.5	\$124.90	\$936.75
FAST-Levy Response Withhold Record Specifications: Financial Institutions	1	1	1,716	1,716.0	\$83.22	\$142,805.52
FAST-Levy Request Withhold Record Specifications: State Child Support Agencies	1	1	1,610	1,610.0	\$83.22	\$133,984.20
<b>Estimated Total Annual Burden hours</b>				3,394.6	<b>Estimated Total Annual Cost</b>	\$282,519.15

The job codes for the Financial Data Mata, Election Form, and Fast Levy Responses are 13-2098, 11-3031, and 15-1251 with an hourly wage of \$39.22, \$62.45, and \$41.61, respectively. To account for fringe benefits and overhead, OCSE multiplied the hourly rate by two, to arrive at the hourly wages in the table above. All wage information derives from the most current Bureau of Labor Statistics (BLS) figures [https://www.bls.gov/oes/current/oes\\_nat.htm#00-0000](https://www.bls.gov/oes/current/oes_nat.htm#00-0000).

Using the BLS wage rates, the average hourly rate for financial analysts who would need to manually upload or download a file, is \$39.22. For the total annual costs, the total burden hours are multiplied by the hourly wage rate, which is doubled to account for fringe benefits and overhead (61.1 hours x \$78.44 = \$4,792.68 annually).

The hourly rate for financial managers at a financial institution, who would complete the Election Form, is \$62.45. For the total annual costs, the total burden hours are multiplied by the doubled hourly wage rate (7.5 hours x \$124.90 = \$936.75 annually).

The estimated FAST Levy burden hour costs for financial institutions and state agencies are the estimated hourly cost for computer programmers (\$41.61/hour) to reprogram or program. For

the total annual costs, the total burden hours are multiplied by the doubled hourly wage rate for both financial institutions (1,716 hours x \$83.22 = \$142,805.52 annually), and state agencies (1,610 hours x \$83.22 = \$133,984.20 annually)

The estimated annualized cost to respondents for the hour burden is the annual burden hour multiplied by the average hourly wage rate for each line item in the chart above. Adding those totals together gives the estimated total annual cost of \$282,519.15.

For the MSFIDM program, the total number of respondents changes from week to week depending on mergers, acquisitions, and new financial institutions that may elect to participate. Collectively, MSFIDM program respondents submit data to OCSE on behalf of 3,521 financial institutions. Some financial institutions and respondents report for themselves, while other respondents report for a large number of financial institutions. The respondent performs the match and returns the response file to OCSE either via the Child Support Portal or using SFTP transmission. There is no hourly burden to use the SFTP transmission method; however, there is an estimated five-minute burden per response for the 184 respondents to upload or download files using the Portal. There are no programming costs for the transmitter to change transmission methods; the record specifications are the same for both transmission methods.

OCSE does not anticipate new MSFIs will use SFTP transmission to participate, so there is no programming burden estimates associated with the MSFI record specifications; however, an average of 15 Election Forms are sent to OCSE annually, which takes respondents approximately 30 minutes (0.5 hours) to complete and submit.

For *FAST Levy*, OCSE estimates adding one new user per process function, annually. Automated system programming for MSFIs takes approximately 1,716 hours and approximately 1,610 hours for states.

### **13. Estimates of Other Total Annual Cost Burden to Respondents and Record Keepers**

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 \$357,504<sup>1</sup>. Any maintenance costs are usual and customary for system upkeep.

### **14. Annualized Cost to the Federal Government**

Annualized cost to the federal government is \$1,702,880 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.

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<sup>1</sup> Estimate calculated from system usage rates charged by our Data Center provider.

## **15. Explanation for Program Changes or Adjustments**

The MSFIDM Record Specifications and Election Form include minor program changes to clarify language. These changes do not affect the respondents using the automated SFTP method of transmission, and OCSE does not anticipate that any potential new respondents will select the SFTP. There are fewer MSFIs using the portal for MSFIDM due to mergers, acquisitions and multiple financial institutions using a single authorized transmitter. As a result, OCSE adjusted the number of respondents from the previous MSFIDM information collection approval from 192 to 184. This change also results in a decrease in the associated burden estimate from 64 to 61.1 hours, annually.

An average of 15 MSFIDM participants annually submit Election Forms to update transmitter or contact information since the previous approval, which required an adjustment to decrease the burden from the previous estimate of 30.

OCSE revised the *FAST* Levy Record Specifications to clarify language, but these changes do not affect current state agency and MSFI respondents. Other changes represent OCSE programming to accept “ANSI X9.129 standard format.” These changes pertain to OCSE capability and do not affect financial institutions that use “X9.” The anticipated number of *FAST* Levy respondents decreased from the previous approval, which also accounted for reprogramming requirements that are no longer required; therefore, the overall burden estimate for the *FAST* Levy Record Specifications decreased from approximately 5,196 to 3,326 hours, annually.

The total burden estimate for the MSFIDM/*FAST* Levy information collection decreased from 5,275 to 3,394.6 hours, annually.

## **16. Plans for Tabulation and Publication and Project Time Schedule**

OCSE publishes aggregate information from the MSFIDM in the Child Support Enforcement Annual Report to Congress, but that information is not used for statistical purposes. OCSE does not tabulate or publish *FAST* Levy information.

## **17. Reason(s) Display of OMB Expiration Date is Inappropriate**

Not applicable.

## **18. Exceptions to Certification for Paperwork Reduction Act Submissions**

Not applicable.