SUPPORTING STATEMENT - PART A

Financial Status Report – 2900-0165

|  |
| --- |
| Summary of Changes from Previously Approved Collection * Decrease Changes in Burden and Respondents
 |

1. Need for the Information Collection

VA Form 5655, Financial Status Report (FSR), is used to document and support eligibility determinations for waivers of collection, for the consideration of compromise offers, or to document information to assist in developing repayment plans.

VA collects debts as authorized in 31 U.S.Code § 3711 and 3716 – 3718, 38 U.S.Code § 5314 and 5316 and 5 U.S.Code § 5514. Information collected on VA Form 5655 is required for evaluating waiver request under 38 U.S.Code § 5302 and 38 CFR § 1.965. The same information is also required to consider installment payments (38 CFR § 1.917), compromise (38 CFR § 1.931), suspension of collection (38 CFR § 1.941), or termination of collection (38 CFR § 1.942).

VA Form 5655 to individuals subject to offset of VA payments other than salary and monthly VA benefits under 38 CFR § 1.912, and to employees subject to offset of salary under either 38 CFR § 1.982 (salary offset for debts involving VA benefits) or 38 CFR § 1.983 (salary offset for debts not involving VA benefits).

2. Use of the Information

This form is used by debtors (Veterans, beneficiaries, Federal employees) to submit a request for a waiver, compromise offer, or a repayment plan. The Department of Veterans Affairs (VA) uses the information contained in the form to make a determination on a debtor’s ability to pay the debt under any circumstances, a request for a waiver of a debt, a compromise of the debt amount and/or a repayment plan.

VA Form 5655 is available for debtors to complete electronically when signed into Debt Management Center’s website, www.va.gov/manage-va-debt. For non-Veteran beneficiaries, the document must be manually completed, printed, and both the debtor and their spouse must sign and date. The VA Form 5655 is available for downloaded at https://www.va.gov/find-forms/about-form-5655/.

To ensure security, privacy and program integrity, the document must be submitted by mail, fax, or through Ask.VA.gov.

There are other communications sent to the respondent associated with the information collection, such as, automated, and manual letters regarding the debtor’s VA debt information and status. Manual letters are upon debtor’s request.

The information obtained with the form enables VA Debt Management Center, VA Regional Offices, VA Consolidate Patient Account Centers, VA Medical Centers, and other deciding committees, boards, and employees to determine the financial status of debtors exercising their rights under the statutes and regulations listed above. In most cases, the information on the form is sufficient detail to allow a determination as an end result.

3. Use of Information Technology

VA has implemented an electronic version of the form, which is automatically routed for review and determination.  In the near future, the electronic form will also review and provide determination based on specific criteria.  Currently 40% of all forms are received electronically.

4. Non-duplication

The information obtained through this collection is unique and is not already available for use or adaptation from another cleared source.

5. Burden on Small Businesses

This information collection does not impose a significant economic impact on a substantial number of small businesses or entities.

6. Less Frequent Collection

Collection of the information solicited on VA Form 5655 by other means and involuntarily would be expensive, time consuming and, intrusive. Consumer reports do not offer the reliability and scope of information as that provided by debtors, themselves.

*7.* Paperwork Reduction Act Guidelines

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

Part A: PUBLIC NOTICE

A 60-Day Federal Register Notice (FRN) for the collection published on Monday, July 10, 2023. The 60-Day FRN citation is Vol. 88, No. 130 FRN 43651.

There have been no public comments during the 60-Day notice period as of September 07, 2023.

The 30-Day Federal Register Notice for the collection will be published upon the completion of the 60-Day notice period.

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the Federal Register was conducted for this submission as of July 19, 2023.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

10. Confidentiality

The collection instrument does require a Privacy Act Statement (PAS) which can be located and provided to the respondent at the top of the VA Form 5655, *Financial Status Report*. The Social Security Number (SSN) is still required on the VA Form 5655, *Financial Status Report,* as an identifier and until there is another identifier to replace the SSN.

The information collection does require a System of Record Notice (SORN), Centralized Accounts Receivable System/Centralized Accounts Receivable On-Line System (CARS/CAROLS) which is currently published and can be found on [FRN citation is 83 FRN 40140](https://www.govinfo.gov/content/pkg/FR-2018-08-13/pdf/2018-17228.pdf).

The information collection require a Privacy Impact Assessment (PIA), Centralized Accounts Receivable System /Centralized Accounts Receivable On-Line (CAO), which can be found at <https://department.va.gov/privacy/wp-content/uploads/sites/5/2023/05/FY23CentralizedAccountsReceivableSystemPIA.pdf>.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

Microfilm and microfiche are retained in metal cabinets in DMC for 25 years. CARS records are retained until termination of debt collection (payment in full, write off, compromise or waiver). All other automated storage media are retained and disposed of in accordance with disposition authorization approved by the Archivist of the United States.

DMC generally forwards all substantive paper documents to VA regional offices, health care facilities and CHAMPVA Center for storage in claims files, patient treatment files, imaging systems or loan files. Those documents are retained and disposed of in accordance with the appropriate system of records.

Information provided to HUD for CAIVRS is stored on magnetic tape. The tapes are returned to VA for updating each month. HUD does not keep separate copies of the tapes. Information provided to the Department of the Treasury for the Treasury Offset Program is transferred electronically and stored by Treasury on magnetic media.

In the case of CARS/CAROLS there are no physical items, only electronic. The electronic records being keep on CARS/CAROLS change daily and exist until the debt is otherwise settled. There is no history currently being kept by this system and no archiving.

11. Sensitive Questions

There are questions of a sensitive nature, such as, the following:

* First and Last Name
* Collection of Social Security Number
* Financial / Banking Information
* Mailing Address
* Telephone Number
* Email Address
* Date of Birth
* Employment History

12. Respondent Burden and its Labor Costs

Part A: ESTIMATION OF RESPONDENT BURDEN

The following data is for a population survey of thirteen (13) months from May 2022 through May 2023.

1. Collection Instrument

[Financial Status Report]

1. Number of Respondents: 33,335
2. Number of Responses Per Respondent: 1
3. Number of Total Annual Responses: 33,335
4. Response Time: 60 Minutes (1 Hour)
5. Respondent Burden Hours: 33,335 Hours
6. Total Submission Burden (Summation or average based on collection)
	1. Total Number of Respondents: 33,335
	2. Total Number of Annual Responses: 33,335
	3. Total Respondent Burden Hours: 33,335 hours

Part B: LABOR COST OF RESPONDENT BURDEN

VA cannot make assumptions about the population of respondents because of the variability of factors, such as the educational background and wage potential of respondents.  Therefore, DMC used general wage data to estimate the respondents’ costs associated with completing the information collection.

The Bureau of Labor Statistics (BLS) gathers information on full-time wage and salary workers.  According to the latest available BLS data, the mean hourly wage is $29.76 based on the BLS wage code – “00-0000 All Occupations.”  This information was taken from the following website: <https://www.bls.gov/oes/current/oes_nat.htm>.

The annual cost to the public for the last thirteen (13) months from May 1, 2022, to May 31,2023, are $992,049.60; calculated as follows:

1. Collection Instrument

[Financial Status Report]

1. Number of Total Annual Responses: 33,335
2. Response Time: 60 minutes (1 Hour)
3. Respondent Hourly Wage: $29.76
4. Labor Burden per Response: $29.76
5. Total Labor Burden: $992,049.60
6. Overall Labor Burden
	1. Total Number of Annual Responses: 33,335
	2. Total Labor Burden: $992,049.60

13. Respondent Costs Other Than Burden Hour Costs

The annual cost may vary on how many times the respondents mail the collection instrument; however, an estimate of annualized costs to respondents other than the labor burden costs is $0.63 for a First-Class Letter postage to return the collection instrument. This information was taken from the following website: <https://www.usps.com/business/prices.htm>.

There are zero (0) annualized costs to respondents to return the collection instrument if submitted online or emailed.

14. Cost to the Federal Government

Part A: LABOR COST TO THE FEDERAL GOVERNMENT

The annual cost to the Federal Government for the last thirteen (13) months from May 1, 2022, to May 31,2023, are $1,105,269.15; calculated as follows:

1. Collection Instrument(s)

[Financial Status Report]

1. Number of Total Annual Responses: 33,335
2. Processing Time per Response: 3 Minutes (.05 hour)
3. Hourly Wage of Worker(s) Processing Responses: $29.74
4. Cost to Process Each Response: $1.49 (1.487)
5. Total Cost to Process Responses: $49,669.15
6. Overall Labor Burden to the Federal Government
	1. Total Number of Annual Responses: 33,335
	2. Total Labor Burden*:* $49,669.15

The hourly rate of $29.74 is based on the Office of Personnel Management General Schedule (GS) 2023 pay tables for the mean pay grade of the GS 8, step 7 employees performing the task which can be found at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/RUS_h.pdf>.

Part B: OPERATIONAL AND MAINTENANCE COSTS

The cost of inserting and mailing 728,000 (56,000 monthly average) forms is $1,055,600 based on a cost of $1.45 for each form mailed. The costs of the envelope and the insertion operation are traditionally quoted as a bundle. Postage information was taken from the following website: <https://about.usps.com/newsroom/national-releases/2022/1007-usps-announces-new-prices-for-2023.htm>)

1. Cost Categories
	1. Equipment: $0.00
	2. Printing: $0.00
	3. Postage: $1,055,600.00
	4. Software Purchases: $0.00
	5. Licensing Costs: $0.00
	6. Other: $0.00
2. Total Operational and Maintenance Cost: $1,055,600.00

Part C: TOTAL COST TO THE FEDERAL GOVERNMENT

1. Total Labor Cost to the Federal Government: $49,669.15
2. Total Operational and Maintenance Costs: $1,055,600.00
3. Total Cost to the Federal Government: $1,105,269.15

15. Reasons for Change in Burden

The burden has decreased since the previous approval because during the Coronavirus 2019 (COVID-19) Pandemic, collection was paused on new debts effective April 2020 at the Debt Management Center (DMC) and restarted in January 2022.

Additionally, DMC also no longer requires VA Form 5655 to approve repayment plans extending 60 months or fewer.  Previously, VA Form 5655 was required to approve repayment plans extending greater than 12 months.  Repayment plans on compensation and pension benefit overpayments now also automatically extend for 36 months instead of 12 months when over the minimum monthly payment threshold.

Due to these reasons, form usage has fluctuated.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

The collection instrument, VA Form 5655, may be reproduced and/or stocked by the respondents and Veterans Service Organizations (VSOs). This VA form does not display an expiration date. If required to display an expiration date, unnecessary waste of existing stock would occur. These forms are submitted to OMB for approval every three years. As such, an expiration date requirement would delay Department action on the benefit being sought or right being exercised. VA also seeks to minimize the costs to itself for collecting, processing, and using the information disclosed. The form is also available for online submission which negates the need for the form to expire. For the reasons stated, VA continues its request for an exemption to the requirement to display an expiration date on VA Form 5655.

18. Exceptions to “Certification for Paperwork Reduction Submissions”

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.