

Supporting Statement for Forms SSA-2854 & SSA-2855
Statement of Funds You Provided to Another and Statement of Funds You
Received
20 CFR 416.1103(f)
OMB No. 0960-0481

A. Justification

1. Introduction/Authoring Laws and Regulations

20 CFR 416.1103(f) of the *Code of Federal Regulations* states that money an individual borrows or receives as repayment of a loan does not count as income for Supplemental Security Income (SSI). Commercial loans have formal contracts between borrower and lender that establish specific terms of agreement. However, friends and relatives often engage in informal loan activities with SSI recipients. In these cases, the Social Security Administration (SSA) must decide whether the informal loan meets the criteria for us to consider it bona fide (i.e., legally valid under the applicable State's law and made in good faith), and therefore excluded from counting as income. SSA collects this information on Forms SSA-2854 and SSA-2855 under authority of Section 1613(e) of the *Social Security Act* to determine if a loan is bona fide.

2. Description of Collection

SSA uses Forms SSA-2854 (Statement of Funds You Provided to Another) and SSA-2855 (Statement of Funds You Received) to verify if a loan is bona fide for SSI recipients. SSA collects this information at the time of initial application for SSI benefits, or at any point when an individual alleges being party to an informal loan while receiving SSI, such as during routine resource reporting. SSA collects information on the informal loan through personal interviews and mail.

Typically, SSA field personnel discover that an SSI applicant or claimant has received an informal loan during an interview. We document the borrower's allegation about the loan, either by using the SSA-2855 or by recording the same information in the individual's record using a Report of Contact (DROC). We document information such as the name and contact information of the lending party, the date and amount of the loan, expectation of repayment (i.e., whether the loan must be repaid), and repayment plan details. We also request a copy of the written loan agreement, if one exists, and document how the loan proceeds are being held (since the proceeds will count as the borrower's resource if retained into the month after receipt).

We then mail Form SSA-2854 to the lender, enclosed with a cover letter explaining the purpose of the form, its voluntary nature, and its importance for the borrower's eligibility for SSI payments. Form SSA-2854 independently asks the lender the same basic questions about the loan that Form SSA-2855 asks the borrower. Once received, we compare the two statements, gather evidence from the SSI individual if needed, and make a determination about whether the loan is

bona fide for SSI purposes.

NOTE: In situations where SSA finds out about the loan from the lender, the order is reversed; we first record the lender's allegation about the loan and have them complete the SSA-2854. We then use the provided information to contact the borrower for completion of the SSA-2855.

NOTE: The questions on both forms may be modified by field personnel to comply with the jurisdictional State's laws on informal loans.

For SSI purposes, we consider a loan bona fide if it meets these requirements:

- Must be between a borrower and lender with the understanding that the borrower has an obligation to repay the money, and must have a schedule or plan for repayment that is feasible;
- Must be in effect at the time the cash goes to the borrower; that is, the agreement cannot come after the cash is paid; and
- Must be enforceable under State law; often there are additional requirements from the State. Field personnel will work with Regional SSI staff if they have any questions related to the requirements of the State in question.

This information collection only covers monetary funds provided to a claimant or recipient. For the provision of in-kind goods or services (such as food or housing) as a loan, SSA uses a separate set of forms under a separate information collection, OMB Control No. 0960-0529. The agency's field personnel conduct the interviews, and mail the form(s) for completion, with prepaid return envelopes, as needed. The respondents are SSI recipients and applicants, as well as individuals who lend money to them.

3. Use of Information Technology to Collect the Information

This collection does not currently have a fully public-facing Internet version, as we prioritized other information collections for full electronic conversions. Given that IT Mod programming is an ongoing, dynamic project, we cannot provide specific timelines for when we will be able to make any particular ICR available via Internet web-based application. We will ultimately convert most existing ICRs to full electronic versions depending on how they fall within our overall IT Mod schema, but this may be unconnected to the PRA approval lifecycle.

Per the risk assessment our OGC conducted on this form, we are not able to make the signature line on the form fillable at this time. However, we hope to convert this IC to a submittable PDF in the future, which will allow the public to utilize eSignature technology and to submit the form to us via the Internet. Unfortunately, we are not able to schedule this one for submittable PDF

conversion, yet, but when we do so, we will submit a Change Request to OMB for approval prior to implementation.

4. Why We Cannot Use Duplicate Information

The nature of the information we collect and the manner in which we collect it preclude duplication. Two forms are needed in this data collection because each is directed to a different party within an informal loan (borrower and lender), and we need information from both to confirm the alleged terms of the loan and determine if the loan is bona fide for SSI purposes. SSA does not use another collection instrument to obtain similar data.

5. Minimizing Burden on Small Respondents

This collection does not affect small businesses or other small entities.

6. Consequence of Not Collecting Information or Collecting it Less Frequently

If we did not collect the information, SSA would be unable to make accurate SSI eligibility determinations as statute requires. Because we collect this information on an as needed basis, we cannot collect it less frequently. There are no technical or legal obstacles to burden reduction.

7. Special Circumstances

There are no special circumstances that would cause SSA to conduct this information collection in a manner inconsistent with *5 CFR 1320.5*.

8. Solicitation of Public Comment and Other Consultations with the Public

The 60-day advance Federal Register Notice published on January 6, 2021 at 86 FR 667, and we received no public comments. The 30-day FRN published on March 12, 2021 at 86 FR 14170. If we receive any comments in response to this Notice, we will forward them to OMB.

9. Payment or Gifts to Respondents

SSA does not provide payments or gifts to the respondents.

10. Assurances of Confidentiality

SSA protects and holds confidential the information it collects in accordance with *42 U.S.C. 1306*, *20 CFR 401* and *402*, *5 U.S.C. 552* (Freedom of Information Act), *5 U.S.C. 552a* (Privacy Act of 1974), and OMB Circular No. A-130.

11. Justification for Sensitive Questions

The information collection does not contain any questions of a sensitive nature.

12. Estimates of Public Reporting Burden

Please see the burden chart below:

| Modality of Completion | Number of Respondents | Frequency of Response | Average Burden Per Response (minutes) | Estimated Total Annual Burden (hours) | Average Theoretical Hourly Cost Amount (dollars)* | Average Wait Time in Field Office (minutes)** | Total Annual Opportunity Cost (dollars)*** |
|------------------------|-----------------------|-----------------------|---------------------------------------|---------------------------------------|---|---|--|
| SSA-2854 | 20,000 | 1 | 15 | 5,000 | \$31.48* | 24** | \$409,240*** |
| SSA-2855 | 20,000 | 1 | 15 | 5,000 | \$31.48* | 24** | \$409,240*** |
| Totals | 40,000 | | | 10,000 | | | \$818,480*** |

* We based this figure on average U.S. citizen's hourly salary, as reported by Bureau of Labor Statistics data (https://www.bls.gov/oes/current/oes_nat.htm).

** We based this figure on the average FY 2020 wait times for field offices, based on SSA's current management information data.

*** This figure does not represent actual costs that SSA is imposing on recipients of Social Security payments to complete this application; rather, these are theoretical opportunity costs for the additional time respondents will spend to complete the application. **There is no actual charge to respondents to complete the application.**

In addition, OMB's Office of Information and Regulatory Affairs is requiring SSA to use a rough estimate of a 30-minute, one-way, drive time in our calculations of the time burden for this collection. OIRA based their estimation on a spatial analysis of SSA's current field office locations and the location of the average population centers based on census tract information, which likely represents a 13.97-mile driving distance for one-way travel. We depict this on the chart below:

| Total Number of Respondents Who Visit a Field Office | Frequency of Response | Average One-Way Travel Time to a Field Office (minutes) | Estimated Total Travel Time to a Field Office (hours) | Total Annual Opportunity Cost for Travel Time (dollars)**** |
|--|-----------------------|---|---|---|
| 40,000 | 1 | 30 | 20,000 | \$629,600 |

**** We based this dollar amount on the Average Theoretical Hourly Cost Amount in dollars shown on the burden chart above.

Per OIRA, we include this travel time burden estimate under the 5 CFR 1320.8(a) (4), which requires us to provide "time, effort, or financial resources expended by persons [for]...transmitting, or otherwise disclosing the information," as well as 5 CFR 1320.8(b)(3)(iii) which requires us to estimate "the average burden collection...to the extent practicable." SSA notes that we do not obtain or maintain any data on travel times to a field office, nor do we have any data, which

shows that the average respondent drives to a field office, rather than using any other mode of transport. SSA also acknowledges that respondents' mode of travel and, therefore, travel times vary widely dependent on region, mode of travel, and actual proximity to a field office.

NOTE: We included the total opportunity cost estimate from this chart in our calculations when showing the total opportunity cost estimates in the paragraph below.

The total burden for this ICR is **10,000** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$1,448,080**. SSA does not charge respondents to complete our applications. We base our burden estimates on current management information data, which includes data from actual interviews, as well as from years of conducting this information collection. Per our management information data, we believe that the 15 minutes accurately shows the average burden per response for reading the instructions, gathering the facts, and answering the questions. Based on our current management information data, the current burden information we provided is accurate.

13. Annual Cost to the Respondents (Other)

This collection does not impose a known cost burden on the respondents.

14. Annual Cost To Federal Government

The annual cost to the Federal Government is approximately \$729,127. This estimate accounts for costs from the following areas:

| Description of Cost Factor | Methodology for Estimating Cost | Cost in Dollars* |
|---|--|-------------------------|
| Designing and Printing the Form | Design Cost + Printing Cost | \$677 |
| Distributing, Shipping, and Material Costs for the Form | Distribution + Shipping + Material Cost | \$450 |
| SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time | GS-9 employee x # of responses x processing time | \$728,000 |
| Full-Time Equivalent Costs | Out of pocket costs + Other expenses for providing this service | \$0* |
| Systems Development, Updating, and Maintenance | GS-9 employee x man hours for development, updating, maintenance | \$0* |
| Quantifiable IT Costs | Any additional IT costs | \$0* |

| | | |
|--------------|--|------------------|
| Total | | \$729,127 |
|--------------|--|------------------|

* We have inserted a \$0 amount for cost factors that do not apply to this collection.

SSA is unable to break down the costs to the Federal government further than we already have. It is difficult for us to break down the cost for processing a single form, as field office staff often help respondents fill out several forms at once, and the time it takes to do so can vary greatly per respondent. As well, because so many employees have a hand in each aspect of our forms, we use an estimated average hourly wage, based on the wage of our average field office employee (GS-9) for these calculations. However, we have calculated these costs as accurately as possible based on the information we collect for creating, updating, and maintaining these information collections.

15. Program Changes or Adjustments to the Information Collection Request

When we last cleared this IC in 2018, the burden was 6,666 hours. However, we are currently reporting a burden of 10,000 hours. This change stems from an increase in the completion time from 10 minutes to 15 minutes. This change is supported by our current management information data.

Note: The total burden reflected in ROCIS is **46,000**, while the burden cited in #12 of the Supporting Statement is **10,000**. This discrepancy is because the ROCIS burden reflects the following components: field office waiting time + a rough estimate of a 30-minute, one-way, drive burden. In contrast, the chart in #12 of the Supporting Statement reflects actual burden.

16. Plans for Publication Information Collection Results

SSA will not publish the results of the information collection.

17. Displaying the OMB Approval Expiration Date

OMB granted SSA an exemption from the requirement to print the OMB expiration date on its program forms. SSA produces millions of public-use forms with life cycles exceeding those of an OMB approval. Since SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis), OMB granted this exemption so SSA would not have to destroy stocks of otherwise useable forms with expired OMB approval dates, avoiding Government waste.

18. Exceptions to Certification Statement

SSA is not requesting an exception to the certification requirements at *5 CFR 1320.9* and related provisions at *5 CFR 1320.8(b)(3)*.

B. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.