Multistate Financial Institution Data Match Instructions

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1   Background

Nationally, the number of child support cases increased from two million in 1976 to over 15.7 million in 2020. Committed to improving the lives of children, the federal Office of Child Support Services (OCSS) worked with state and local child support programs to develop the Federal Parent Locator Service (FPLS) to help states locate individuals to establish and enforce child support orders. The Multistate Financial Institution Data Match (MSFIDM) program is part of the FPLS.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), also known as Welfare Reform, went into effect on August 22, 1996. One provision requires all states and territories that operate approved child support enforcement plans to enter into agreements with financial institutions conducting business in their state. The purpose of these agreements is to identify accounts, through quarterly data matches, that belong to parents who are delinquent in their child support obligation.

Public Law 105-200, the Child Support Performance and Incentive Act of 1998 changed PRWORA to improve the data match for multistate financial institutions (MSFIs). This law authorizes OCSS to act as the conduit between the states, territories, and MSFIs to conduct a centralized quarterly data match program to identify accounts belonging to individuals who owe past-due child support.

1.1   Definition of Financial Institution

Section 466(a)(17)(D)(i) of the Social Security Act states that "financial institution" has the meaning given the term in section 469A(d)(1) of the Act. Section 469A(d)(1) of the Act defines a "financial institution" as "a depository institution, as defined in Section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c))…an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(u))…any federal credit union or state credit union, as defined in Section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in Section 206(r) of such Act (12 U.S.C. 1786(r))…and any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the state."

1.2   Definition of Account

Section 466(a)(17)(D)(ii) of the Social Security Act (Act) defines an "account" as "a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account."

1.3   Who May Match Data with OCSS?

Any financial institution operating in two or more states that maintains accounts (as defined in section 466(a)(17)(D)(ii))) for its customers is eligible to participate in the OCSS data match.

1.4 What Liability Will Accrue to Financial Institutions?

Section 466(a)(17)(C) of the Act states that a financial institution shall not be liable under any federal or state law to any person for any disclosure of information to the state child support agency under section 466(a)(17)(A)(i) of the Act. Similarly, financial institutions shall not be liable under any federal or state law for encumbering or surrendering any assets they hold in response to a notice of lien or levy issued by the state child support enforcement agency. In addition, financial institutions will not be held liable for other action taken in good faith to comply with the requirements of Section 466(a)(17)(A) of the Act. section 469A(a) of the Act also provides protection from liability for MSFIs disclosing information to the FPLS through the MSFIDM.

2 Data Match Process

The data match process begins when OCSS sends MSFIs a file containing information about individuals who owe past-due child support. The MSFIs compare the OCSS file with their account holders and return matches to OCSS. OCSS sends matches to the state agencies responsible for collecting the past-due support. OCSS maintains and updates the file containing all child support debtors nationwide weekly and transmits files to all participating MSFIs quarterly. Processing quarters are standard calendar quarters: the first day of January, April, July, and October.

To avoid processing peaks, MSFIs may select a preferred month and week to receive their file in each quarter. For example, if an MSFI chooses to initiate processing of its file in the first week of the second month of a quarter, it will subsequently receive all files the first week of the second month of each calendar quarter thereafter.

MSFIs have 45 days to return matches to OCSS.

2.1 Data Specifications

We use a reporting format developed by states, MSFIs, and OCSS. OCSS uses Method 2 – the Matched Accounts Method. You can find the record layout for this reporting format on the OCSS website at http://www.acf.hhs.gov/programs/css/resource/financial-data-match-specifications-handbook.

2.2 Types of Transmission

OCSS exchanges data with MSFIs using electronic transmission methods, currently either Secure File Transfer Protocol or the OCSS Child Support Portal Electronic Download and Upload Process. OCSS works with the MSFI to use the most cost-effective method for the data transmission.

2.3 What Happens When a Match Occurs?

OCSS forwards the match information to the states and territories within 48 hours. The states and territories may use the match information to notify the MSFI to freeze or seize accounts in accordance with state laws.

2.4 What about Fees?

OCSS does not reimburse MSFIs for the cost of processing the data matches. If state law allows, state child support Services agencies may pay reasonable fees to financial institutions for conducting the data match. These fees must not exceed the actual costs incurred by the financial institution.

If an MSFI chooses to recover the cost of processing the OCSS data, the MSFI must bill individual states. Following each quarterly match, OCSS supplies MSFIs with a statistical report containing the number of matches made for each state and the states' billing addresses. However, OCSS will only supply addresses for states that will reimburse MSFIs.

2.5 Security Guidelines

OCSS requires robust security and privacy controls to make sure the information on the OCSS file remains protected and that there is individual accountability in protecting and maintaining the privacy of the individuals whose information resides in the file.

This section outlines the security requirements that an MSFI must have in place before receiving the OCSS file.

The MSFI must:

- Maintain an audit trail of activities pertaining to the OCSS file and its contents until destroying it.
- Destroy electronic files, regardless of the delivery medium, after conducting the data match, but no longer than 60 days afterward. Deletion is not acceptable. You must overwrite the file and save with nulls before erasing the file.
- Do not make hard copies of the file.
- Establish and maintain a security incident response capability. You must report all security or privacy incidents, or suspected incidents, involving the file to OCSS no later than one hour after discovery.
- Implement logical access controls that supply protection from unauthorized access, alteration, loss, or disclosure.
- Limit physical and logical access to the OCSS file and the information contained within to authorized personnel only. Make sure to maintain a list of the persons authorized to access the information.
- Prohibit downloading information on the OCSS file to portable media.

- Provide security awareness training to communicate the security policies associated with the OCSS file as well as the civil and criminal penalties for misuse.
- Secure the OCSS file during transmission in a manner that safeguards the data and prohibits unauthorized access.

3   Data Match Timelines

3.1   Operational Agreements

- OCSS distributes one operational agreement to each MSFI identified by states or other sources. The agreement allows MSFIs to select their data transmission method and reporting period dates and designate service providers if appropriate. The agreement also allows MSFIs to opt out of the OCSS process in favor of participating with individual states.

  Note: MSFIs only need to update agreements when they elect to change the data transmission method or change a service provider.

- MSFIs return agreements to OCSS.

3.2   Fee Assessment Information

On a quarterly basis, OCSS supplies:

- MSFIs with the number of matches per state.
- States with the number of matches for each MSFI.
- MSFIs with a state-by-state description of the fee structure, fee amounts allowed, and billing addresses for those states that will reimburse MSFIs for the data match.

4 Election Form Instructions

You can access the Election Form online at the OCSS Portal. An officer or executive of the MSFI must complete, sign, and submit it. The Election Form will serve as the official operational agreement between the MSFI and OCSS.

4.1 Election to Use Reporting Agents

Many MSFIs contract with reporting agents for the MSFIDM program. If an MSFI chooses to contract with a service provider to report information for the MSFIDM, the MSFI must sign the Election Form, not the service provider, and the MSFI remains responsible for complying with the law.

MSFIs that choose to use a reporting agent or transmitter must inform OCSS by completing the appropriate section on the Election Form. Signing the Election Form allows OCSS to request and receive MSFI contact information from the reporting agent or transmitter. Similarly, if an MSFI wants OCSS to send the data match file to a recipient whose Federal Employer Identification Number (FEIN) is different from that of the MSFI, the MSFI must notify OCSS.

4.2 Election Form – Acceptance

Acknowledge you have read this document by clicking the "Accept" button on the portal online form.

5 Online Election Form Example

Election Form

Financial institutions must use this form to (1) elect to participate in the multistate financial data match with the federal Office of Child Support Services (OCSS) and select an electronic data exchange option, or (2) elect not to participate in the OCSS process. Refer to the attached instructions for more information. When completed and signed by an authorized representative of your organization, this form will serve as the official operational agreement with OCSS.

Multistate Financial Institution (MSFI)

MSFI Name: _____   FEIN: _____

_____   Phone: _____

Fax: _____

Contact: _____   Email: _____

Street Address: Mailing Address *(if different from street address)*:

_____   _____

_____   _____

_____   _____

File Exchange Options

☐ OCSS Child Support Portal Electronic Download and Upload Process
☐ Secure File Transfer Protocol (SFTP)

Dates

Select the preferred month and week for the initial receipt of OCSS files.

Name one month: _____   Circle one week: 1   2   3   4

Transmitter Information

If you plan to use a transmitter to exchange data with OCSS, please supply the following information about your transmitter:

Name: _____   FEIN: _____

         _____

Street Address: _____

         _____

         _____

Contact: _____   Phone: _____

         Fax: _____

         Email: _____

Do you want the data match file sent directly to your authorized transmitter? ___Yes   ___ No

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Authorized Representative

Name (please print): _____   Title: _____

Signature: _____   Date: _____

Section 466(a)(17)(C) of the Social Security Act provides that a financial institution shall not be liable under any state or state law to any person for any disclosure of information to the Child Support Services Agency under section 466(a)(17)(A)(i) of the Act. Similarly, financial institutions shall not be liable under any state or state law for encumbering or surrendering any assets they hold in response to a notice of lien or levy issued by the Child Support Services Agency. In addition, financial institutions will not be held liable for any other action taken in good faith to comply with the requirements of section 466(a)(17)(A) of the Act.

In accordance with section 453 of the Social Security Act, the information provided to multistate financial institutions (or their designated agents) for purposes of conducting the data matches may not be used by such institutions or agents for any other purposes and may not be redisclosed to any person except to the extent necessary to conduct the data matches. There may also be additional prohibitions or penalties, which apply under state law.

A financial institution's election to participate in the OCSS multistate financial institution data match shall not be construed as a general waiver of jurisdiction nor will it be construed as consent to participate in any other centralized data process. This provision is not intended to prohibit a state from requiring any financial institution doing business in the state to report account information directly to the state for purposes other than child support enforcement.