

SUPPORTING STATEMENT - PART A

Financial Status Report – 2900-0165

Summary of Changes from Previously Approved Collection

- The burden has increased since the previous approval due to the resumption of collections of debts that were suspended during the Coronavirus 2019 (COVID-19) Pandemic. Collection was paused on new debts effective April 2020 at the Debt Management Center (DMC). Collection action resumed beginning May 2022 for suspended debts, and additional debts continue to be created, returning operations to normal.
- Added Additional Response Text regarding Financial Hardship in Box 36
- Changed title of Privacy Act System of Record in Privacy Statement
- Respondent Burden was updated to reflect new contact information
- Public Comments were received with the 60-Day Federal Register Notice

1. Need for the Information Collection

VA Form 5655, Financial Status Report (FSR), is used to document and support the eligibility determinations for waivers of collection, for the consideration of compromise offers, determine financial hardship suspensions, and/or for assisting in the development of repayment plans for overpayment debts owed to the VA being collected by the VA Debt Management Center (DMC).

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 action (38 CFR § 1.941), or termination of collection action (38 CFR § 1.942).

VA Form 5655 is applicable 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 individuals owing a debt to the VA (Veterans, beneficiaries, or Federal employees) to submit a request for a waiver, compromise offer, or a repayment plan. The Department of Veterans Affairs (VA) uses the information submitted on 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 the DMC website, <https://www.va.gov/manage-va-debt/> using a Login.gov or ID.me account. It may also be submitted digitally via the Ask VA portal (<https://www.va.gov/contact-us/ask-va/introduction>). The document may be physically completed and sent to DMC via Fax at (612) 970-5798 or via mail PO BOX 11930 ST PAUL, MN 55111. The VA Form 5655 is available for download at <https://www.va.gov/forms/5655/>.

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 within VA 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 make a determination regarding a request.

3. Use of Information Technology

VA has implemented an electronic version of the form, which is automatically routed for review and determination. Approximately half of all 5655s 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 Thursday, July 30, 2026. The 60-Day FRN citation is 91 FRN 48229.

One public comment was received during the 60-Day Comment Period. It is included below, as well as our Agency's response to the comment.

Comment 1: A comment was received on August 18, 2026, from Reggie Greenwood. The comment expressed concern over the necessity and practical utility of the form, the accuracy of the burden estimate, whether the form uses plain language, and a desire for respondent burden to be reduced through technology.

Agency Response: While the commenter suggests that we may further reduce the usage of the form by using information already available to the VA, the majority of the information solicited on the form that is already available to VA is used for identifying purposes (ie: name, file number, date of birth, etc.), and the remaining information is used for decision making. The burden estimate was based on the real number of responses made to VA that require the use of the form. The cause of the increase in burden since the last OMB submission is detailed below, and the increase is consistent with returning to the pre-COVID burden level and an increase in respondent population. The form uses plain language already, and it would be impractical to explain how all data elements are going to be used in the decisions of requests on the form. The commenter suggested a secure and mobile-accessible version of the form. This already exists, and the mobile submissions via VA.gov expand year-over-year.

The 30-Day Federal Register Notice for the collection published on Tuesday, October 6, 2026. The 30-Day FRN citation is 91 FRN 63673.

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the Federal Register was conducted for this submission as of October 6, 2026.

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 VA Form 5655, *Financial Status Report*. The Social

Security Number (SSN) is still required on VA Form 5655, *Financial Status Report*, as an identifier until there is another identifier to replace the SSN.

The information collection does require a System of Record Notice (SORN), Benefits Accounts Receivable Records (BARR)-VA which is currently published and can be found on the Federal Register under citation 91 FR 40670.

The information collection requires a Privacy Impact Assessment (PIA). The PIA can be found at <https://department.va.gov/privacy/wp-content/uploads/sites/5/2025/08/FY25CentralizedAccountsReceivableSystemPIA.pdf>

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

BARR/CARS records are retained until termination of debt collection (payment in full, write off, compromise or waiver) and for a period of six years thereafter. All other automated storage media are retained and disposed of in accordance with disposition authorization approved by the Archivist of the United States in GRS 1.10-1.11, and the disposition authority granted via N1-15-91-4.

DMC generally forwards all substantive paper documents to VA regional offices, health care facilities and CHAMPVA Centers 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 disposition authority prescribed to them.

Information provided to the Department of the Treasury for the Treasury Offset Program is transferred electronically and stored by Treasury.

In the case of BARR, after scanning physical items are kept for potential rescanning for no more than six months, and beyond that only kept electronically. The electronic records being kept within BARR change daily and exist until six years after the debt is otherwise settled. Historical account records may be viewable on the system, but there is no document archiving.

11. Sensitive Questions

There are questions of a sensitive nature including the following:

- First and Last Name
- 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 twelve (12) months from July 1, 2024 through June 30, 2025.

- 1) Collection Instrument
[Financial Status Report]
 - a) Number of Respondents: 150,871
 - b) Number of Responses Per Respondent: 1
 - c) Number of Total Annual Responses: 150,871
 - d) Response Time: 60 Minutes (1 Hour)
 - e) Respondent Burden Hours: 150,871 hours
- 2) Total Submission Burden (Summation or average based on collection)
 - a) Total Number of Respondents: 150,871
 - b) Total Number of Annual Responses: 150,871
 - c) Total Respondent Burden Hours: 150,871 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 \$33.54 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 twelve (12) months from January 1, 2025, to December 31, 2025, are \$5,020,770.30; calculated as follows:

- 1) Collection Instrument
[Financial Status Report]
 - a) Number of Total Annual Responses: 150,871
 - b) Response Time: 60 minutes (1 Hour)
 - c) Respondent Hourly Wage: \$33.54
 - d) Total Respondent Labor Burden: \$5,060,200

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 \$0.82 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.

14. Cost to the Federal Government

Part A: LABOR COST TO THE FEDERAL GOVERNMENT

The annual labor cost to the Federal Government for the last twelve (12) months from July 1, 2024 through June 30, 2025, are \$236,263; calculated as follows:

- 1) Collection Instrument(s)
[Financial Status Report]
 - a) Number of Total Annual Responses: 150,871
 - b) Average Processing Time per Response: 3 Minutes (.05 hour)
 - c) Hourly Wage of Worker(s) Processing Responses: \$31.32
 - d) Cost to Process Each Response: \$1.566
 - e) Total Cost to Process Responses: \$236,263
- 2) Overall Labor Burden to the Federal Government
 - a) Total Number of Annual Responses: 150,871
 - b) Total Labor Burden: \$236,263

The hourly rate of \$31.32 is based on the Office of Personnel Management General Schedule (GS) 2025 pay tables for the mean pay grade of the GS 7, step 7 employees performing the task which can be found at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/25Tables/html/MSP_h.aspx.

Part B: OPERATIONAL AND MAINTENANCE COSTS

The cost of inserting and mailing 647,203 forms is \$834,892 based on a cost of \$1.29 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://pe.usps.com/PriceChange/Index>

- 1) Cost Categories
 - a) Equipment: \$0.00
 - b) Printing: \$103,553
 - c) Postage: \$731,339

- d) Software Purchases: \$0.00
- e) Licensing Costs: \$0.00
- f) Other: \$0.00

2) Total Operational and Maintenance Cost: \$834,892

Part C: TOTAL COST TO THE FEDERAL GOVERNMENT

- 1) Total Labor Cost to the Federal Government: \$236,263
- 2) Total Operational and Maintenance Costs: \$834,892
- 3) Total Cost to the Federal Government: \$1,071,155

15. Reasons for Change in Burden

The burden has increased since the previous approval due to the resumption of collections of debts that were suspended during the Coronavirus 2019 (COVID-19) Pandemic. Collection was paused on new debts effective April 2020 at the Debt Management Center (DMC). Collection action resumed beginning May 2022 for suspended debts, and additional debts continue to be created, returning operations to normal.

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.

Form usage has fluctuated due to the above-mentioned policy changes and collections restarting.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

The VA will display the OMB Expiration Date.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

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