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Subject: Regulation S

The Social Security Administration (SSA) submits the following comments on Docket No. R-1325, Reimbursement for Providing Financial Records; Recordkeeping Requirements for Certain Financial Records:

SSA administers the Supplemental Security Income (SSI) program, which is a means-tested program that is funded from general revenues. This means-tested program has limits on the income and resources an individual may have to be eligible for the program. SSA stewardship studies regularly find excess resources in financial accounts to be a major source of SSI incorrect payments. Due to the high volume of overpayments, SSA has an initiative underway to electronically verify alleged accounts, and to search for unreported accounts in financial institutions. This initiative employed in three states has dramatically reduced the labor-intensive paper process that is used in the remainder of the country.

SSA anticipates moving to a system that fully automates account verification with financial institutions. The programmatic cost benefits of employing this system are dependent on the administrative costs associated with financial institution reimbursement fees. The proposed regulation does not clearly provide a fee structure that is consistent with the current electronic environment. For many financial institutions it is very easy to transmit information electronically to SSA or any other federal agency. Previously, the transfer of asset information was dependent on a paper environment which included photocopying, and other labor intensive tasks. Since dependency on paper is diminishing each year, the cost to financial institutions to transmit information electronically should be commensurately diminishing as well.

In addition, we note that the Department of Veteran's Affairs (VA) has an exemption from financial institution reimbursement fees in order to effectively administer its benefits programs. SSA requires asset information to effectively administer its means-tested benefit program. While we recognize that the VA exemption is statutory, we take note that both agencies are using financial institutions to effectively administer benefit programs. Dramatically increasing the amount a federal agency would be required to pay in reimbursement fees would have an adverse effect on the nation's general revenues.