
From: Stein, Erik B [ErikStein@fairisaac.com]
Sent: Friday, September 07, 2007 6:04 PM
To: FN-OMB-OIRA-Submission; OPLM.RCO@ssa.gov
Cc: Gudmundsen, Vance C; Bidjou, Brent V; Ferguson, Will
Subject: Agency Information Collection Activities for the Consent Based Social Security Number Verification Process
Attachments: Fair Isaac Corporation CBSV Comment Letter.doc; ATT488525.txt

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September 7, 2007

VIA EMAIL TO OIRA_Submission@omb.eop.gov
Office of Management and Budget
Attn: Desk Officer for SSA

VIA EMAIL TO OPLM.RCO@ssa.gov
Social Security Administration
DCBFM
Attn: Reports Clearance Officer
1333 Annex Building, 6401
Security Blvd., Baltimore, MD 21235

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To Whom It May Concern:

Fair Isaac Corporation ("Fair Isaac") is pleased to submit comments in connection with the Social Security Administration's ("SSA") request for comment on its Agency Information Collection Activities for the "Consent Based Social Security Number Verification Process" ("CBSV"). Fair Isaac Corporation (NYSE:FIC) helps customers make decisions smarter. Fair Isaac's solutions and technologies for Enterprise Decision Management give businesses the power to automate more processes, and apply more intelligence to every customer interaction. Through increasing the precision, consistency and agility of their decisions, Fair Isaac clients worldwide increase sales, build customer value, cut fraud losses, manage credit risk, reduce operational costs, meet changing compliance demands and enter new markets more profitably. Founded in 1956, Fair Isaac powers hundreds of billions of decisions a year in financial services, insurance, telecommunications, retail, consumer-branded goods, healthcare and the public sector. Fair Isaac also helps millions of individuals manage their credit health through the www.myfico.com website.

Fair Isaac believes SSN verification is a critical tool for businesses in combating identity theft, "knowing their customer" in compliance with their legal obligations, and reducing losses from the fraudulent use of SSNs. We strongly support the SSA's goal of streamlining the existing verification process eliminating unnecessary paper work and inefficiencies. Fair Isaac's customers frequently require verification of applicant's social security numbers and welcome the SSA's efforts to implement significant improvements to their CBSV pilot including:

- ▶ Inquiry submission by web service
- ▶ Real-time inquiries and corresponding real-time responses, as well as the existing batch submission
- ▶ Reducing registration fees to \$5,000 (from the prior suggested fee of \$40,288.10 (based on 150 companies registering and an estimated first year cost of \$7,154,589))
- ▶ Removal of the daily limit on usage (previously 5,000 records)

Nevertheless, Fair Isaac has the following comments for your consideration.

1. Initial Verification Rate. We believe the SSA continues to substantially underestimate both the number of companies interested in CBSV program participation, as well as the annual number of inquiries. While we understand the SSA's clear mandate under OMB Circular A-11 (Preparation, Submission, and Execution of the Budget) to receive advance payment for reimbursable work, the proposed verification rate is based on SSA's *expectation* of future volume. There is no indication as to how SSA calculated volumes; however, a recent trade association survey conducted of 25 responding member financial institutions expecting to use CBSV estimated their daily inquiry volume at ~144,546 extrapolating to an annual volume of 36,281,070. This survey, on far fewer participants, results in an annual inquiry volume more than three times that estimated by SSA. This underestimation of the utilization of the CBSV program has the effect of inflating the initial verification rate (\$0.27 proposed). A lower initial verification rate would (a) stimulate business adoption by reducing the economic barrier to entry for smaller businesses; and (b) improve the burden sharing of system development costs among a larger population of participants. We strongly encourage the SSA to revisit their volume estimates.
2. Permit Incorporation of Consent. Fair Isaac strongly encourages SSA to reconsider previously submitted request(s) to allow the incorporation of the Number Holder's consent into existing, or new, legal contracts between participants and their account holders. These legal contracts include loan

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applications, signature cards for checking and savings accounts, and other similarly structured documents, which contain the Number Holder's name, address, signature and date. To date, the SSA has determined only that "a standalone SSA consent form meets [our] legal and regulatory obligations." It is not clear whether SSA has determined the converse is true, i.e., the inclusion of form language into existing business documents does not meet this legal and regulatory obligation. We strongly encourage the SSA to permit the inclusion of the consumer authorization in existing business documents removing a tremendous paperwork burden on business in its obtaining, handling and maintenance.

3. Excessive Burden To Get Verification. With respect to the burden for "reading and signing authorization for SSA to release SSN verification," Fair Isaac believes SSA has significantly underestimated the amount of time required for obtaining the Number Holder's authorization for verification. The SSA's proposed estimate equates to roughly 3 minutes per authorization, which we believe is insufficient to (a) explain the authorization to prospective clients and applicants; (b) verify the authorization is completed correctly; (c) scan the document, if completed on paper; (d) index the electronic document for subsequent recovery; (e) and close out the appropriate files. SSA has estimated an additional 5 minutes per file submission (with a once daily submission rate) which, when added to the 3 minutes per authorization, is still insufficient. This excessive burden, when coupled with the lack of a legal requirement for a separate authorization (see preceding paragraph), makes it even more important the SSA allow incorporation of the Number Holder's authorization into existing legal documents.

4. Frequency Estimates. It is unclear from the SSA estimates, how SSA intends to handle real-time authorization requests (rather than batch). It is Fair Isaac's belief, and experience based on product sales, that participant businesses will generally prefer real-time to batch. This changes SSA's frequency estimates in the calculations since each request will then be counted separately (rather than 1 per day as would be the case with batch submission). The burden per response would correspondingly be less in this real-time scenario.

Fair Isaac appreciates the opportunity to respond to SSA's Request for Public Comment on these very important matters and welcomes the opportunity to discuss our comments further or answer any questions SSA staff may have regarding our views on these issues. Feel free to contact me regarding these comments.

Sincerely,



Erik Stein
Senior Director, Fraud Product Management

cc: Vance Gudmundsen, VP Government Affairs
Brent Bidjou, Senior Counsel

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