



## SOCIAL SECURITY ADMINISTRATION

**Docket No. SSA 2024-0045**

### **Notice of Tier Subscription Expansion and Fee Decrease for Our Electronic Consent Based Social Security Number Verification Service**

**AGENCY:** Social Security Administration.

**ACTION:** Notice of Tier Subscription Expansion and Fee Decrease for the Electronic Consent Based Social Security Number Verification Service.

**SUMMARY:** The Social Security Administration (SSA) is announcing two additional subscription tiers and a decrease in the fees across all tiers for the electronic Consent Based Social Security Number (SSN) Verification (eCBSV) service. In accordance with statutory requirements, a permitted entity (PE) is required to provide payment to reimburse SSA for the development and support of the eCBSV system.

**DATES:** The revised subscription tier structure will go into effect for subscription payments made on or after [INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Peter Worstell, Office of Data Exchange, Policy Publications, and International Negotiations, Social Security Administration, 6401 Security Boulevard, Baltimore, Maryland 21235-6401, (866) 395-8801, email: [eCBSV@ssa.gov](mailto:eCBSV@ssa.gov).

**SUPPLEMENTARY INFORMATION:** Section 215 of the Economic Growth, Regulatory Relief, and Consumer Protection Act<sup>1</sup> (the Banking Bill) directed SSA to modify or develop a database for accepting and comparing fraud protection data<sup>2</sup>

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<sup>1</sup> Pub. L. 115-174, codified at 42 U.S.C. 405b.

<sup>2</sup> The Banking Bill defines “Fraud Protection Data” to mean a combination of an individual’s name (including the first name and any family forename or surname), SSN, and date of birth (including month, day, and year). Pub. L. 115-174, title II, 215(b)(3), codified at 42 U.S.C. 405b(b)(3).

provided electronically by a PE.<sup>3</sup> In response to this statutory directive, we created eCBSV, a fee-based SSN verification service. The eCBSV allows SSA to verify and disclose to a PE, based on the number holder's consent,<sup>4</sup> whether a number holder's SSN, name, and date of birth match SSA's records. The PE's request for SSA's verification of the fraud protection data must be in connection with a credit transaction or a circumstance described in section 604 of the Fair Credit Reporting Act. Each PE must submit a certification statement<sup>5</sup> that the PE is compliant with the Banking Bill as part of their application to SSA.

Based on feedback from PEs received by email and during monthly direct PE conference calls, we are adding two additional tiers for purchase within the eCBSV program. We are adding a new smaller eCBSV tier capped at a maximum of 75,000 transactions to better serve smaller eCBSV customers. This addition will give smaller PEs additional and more affordable tier options. Additionally, we are adding a new eCBSV tier capped at 500,000 maximum transactions. These new tiers allow us to maintain our pricing structure and provide small and medium customers an avenue to directly use the eCBSV service instead of having to go through a third-party service. We anticipate that this new fee structure will incentivize higher transactional volume. In

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<sup>3</sup> The Banking Bill defines a PE to mean a financial institution or service provider, subsidiary, affiliate, agent, subcontractor, or assignee of a financial institution. Pub. L. 115-174, title II, 215(b)(4), codified at 42 U.S.C. 405b(b)(4). They must possess an Employer Identification Number and a Data Universal Number System (DUN) and Bradstreet number.

<sup>4</sup> Under the eCBSV User Agreement, valid written consent must meet the requirements of applicable Federal law, SSA's regulations, and section IV of the eCBSV User Agreement. Valid written consent must include a wet or electronic signature. Section IV A.1. eCBSV User Agreement. Electronic signatures must meet the definition in section 106 of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7006). 42 U.S.C. 405b(f)(2); section IV. E. eCBSV User Agreement. The written consent must clearly specify to whom the information may be disclosed, the information to be disclosed (e.g., SSN verification) and, where applicable, during which timeframe the information may be disclosed (e.g., whenever the subject individual is receiving specific services). 20 CFR 401.100.

<sup>5</sup> The PE must certify that (1) the entity is a PE; (2) the entity is in compliance with section 215; (3) the entity is, and will remain, in compliance with its privacy and data security requirements in title V of 15 U.S.C. 6801, *et seq.*, with respect to the information the entity receives from the Commissioner of Social Security pursuant to this section; and (4) the entity will retain sufficient records to demonstrate its compliance with its certification and section 215 for a period of not less than 2 years. 42 U.S.C. 405b(e)(1)-(3).

addition, we are decreasing the annual fee for all tiers, which we explain in more detail in the Fees section below.

### *Fees*

The public cost burden is dependent upon the number of PEs using the service and the annual transaction volume. We based the revised tier fee schedule below on 20 participating PEs in fiscal year (FY) 2025. The total cost for developing and operating the service is approximately \$66.5 million through FY 2024. Of this amount, \$25.7 million remains unrecovered. The subscription fees are set to ensure we collect these remaining costs in a reasonably timely manner to ensure that we break-even on prior year and ongoing costs for the development and operation of the program. By breaking even, we mean that we will have collected enough revenue to fully cover our costs of developing and operating the eCBSV service. Assuming projected enrollment and transactions are met,<sup>6</sup> we will collect the outstanding balance of \$25.7 million through FY 2027. Upon breaking even, we will further adjust our fee structure to ensure that ongoing costs of the program are covered.

During our evaluation for FY 2025, we noted the following:

- We collected approximately \$16.1 million in FY 2024.
- Operating costs of approximately \$5 million per year in FY 2023 and FY 2024 continued to be lower than historic costs. (Currently, we project operating costs will continue at this rate).
- We have fully recovered all prior year costs incurred during FY 2020 and earlier.
- We are on track in FY 2025, assuming current usage and fee collection continues, to fully recover costs incurred during FY 2021.

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<sup>6</sup> Our projected enrollment is 20 PEs each year and a total annual usage of 58 million transactions per year. These figures align with reported usage in the last few years.

- While our break-even is scheduled for FY 2027, our current fee structure could see significant surplus funds in that year, without changes to the fees.

Based on this information, specifically the last bullet above, and being mindful of our eCBSV customers, we evaluated opportunities to reduce fees across all tiers in a manner that provides some cost relief, maintains our current projected break-even timeline of FY 2027, and continues the collection of prior year costs in a reasonably timely manner.

Our long-term goal, once we break-even, is to only collect fees to cover our ongoing operating costs. Rather than postponing cost relief until that point, we evaluated the relevant information and determined that we could provide a fee reduction now, while staying on target for our cost recovery goals.

#### **Revised eCBSV Tier Fee Schedule**

<b>Tier</b>	<b>Annual Volume Threshold</b>	<b>Annual Fee</b>
<b>1</b>	Up to 10,000 (1-10,000)	\$6,650
<b>2</b>	Up to 75,000 (10,001-75,000)	\$49,500
<b>3</b>	Up to 200,000 (75,001-200,000)	\$125,000
<b>4</b>	Up to 500,000 (200,001-500,000)	\$308,750
<b>5</b>	Up to 1 million (500,001-1 million)	\$610,000
<b>6</b>	Up to 2.5 million (1,000,001-2.5 million)	\$1,210,000
<b>7</b>	Up to 5 million (2,500,001-5 million)	\$2,350,000
<b>8</b>	Up to 10 million (5,000,001-10 million)	\$4,275,000
<b>9</b>	Up to 15 million (10,000,001-15 million)	\$4,750,000
<b>10</b>	Up to 20 million (15,000,001-20 million)	\$5,937,500
<b>11</b>	Up to 25 million (20,000,001-25 million)	\$6,887,500
<b>12</b>	Up to 200 million (25,000,001-200 million)	\$7,837,500

Each enrolled PE will be required to remit the above tier-based subscription fee for the 365-day agreement period starting on or after [INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

Our eCBSV fees are designed to recover prior year costs timely as we look to break-even, while ensuring that we can cover ongoing operating costs. Agency costs and future year cost estimates are based on actual and forecasted systems and operational

expenses, agency oversight, overhead, and certified public accountant audit contract costs. Section 215(h)(1)(B) of the Banking Bill (42 U.S.C. § 405b(h)) requires that the Commissioner shall “periodically adjust” the price paid by users to ensure that amounts collected are sufficient to fully offset the costs of administering the eCBSV system. On at least an annual basis, SSA will monitor costs incurred to provide eCBSV services and will revise the tier fee schedule accordingly. We notify PEs of the tier fee schedule in effect at the renewal of eCBSV user agreements, when a PE begins a new 365-day agreement period, and via notice in the *Federal Register*. PE renewals are governed by the tier fee schedule in effect at the time of renewal.

**Sean Brune,**

*Deputy Commissioner,*

*Office of Budget, Finance, and Management,*

*Social Security Administration.*

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