

April 12, 2022

Acting Commissioner Kilolo Kijakazi  
Social Security Administration  
6401 Security Boulevard  
Baltimore, MD 21235

**Re: eCBSV Tier Fee Schedule**

Dear Acting Commissioner Kijakazi:

The undersigned associations have appreciated the opportunity to partner with the Social Security Administration (“SSA”) to make the SSA’s electronic Consent Based Social Security Number Verification (“eCBSV”) Service as effective and efficient as possible. We, along with our members, have worked closely with SSA in developing and implementing the system mandated by Section 215 of the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 (the “Banking Bill”), and commend SSA for opening eCBSV enrollment in February to interested Permitted Entities, with the enrollment remaining open indefinitely. We are concerned, however, that the agency’s recently announced new tiered fee schedule, set to take effect April 25, 2022, may inadvertently frustrate the purpose of eCBSV and the Banking Bill, as well as interfere with the goals of SSA in increasing usage and participation.

This is because the tiers have been structured in a way where the marginal cost of a single additional transaction is significant, which will disincentivize greater use of eCBSV. For example, consider a new Permitted Entity estimating it will submit 180,000-220,000 eCBSV transactions per year. It would likely be more willing to enroll at Tier 4 (an annual volume threshold between 10,001 and 200,000; annual fee of \$40,000), rather than Tier 5 (an annual volume threshold between 200,001 and 1 million; annual fee of \$315,000), because the substantial increase in fees would disincentivize the Permitted Entity from submitting more transactions.

The same is true for the fee increase between Tier 5 (annual volume threshold between 1,000,001 and 20 million; annual fee of \$1.5 million) and Tier 6 (annual volume threshold between 20,000,001 and 50 million; annual fee of \$4 million). Here, a firm that might submit 23 million transactions would face a \$2.5M charge for the additional 3 million transactions over the previous tier’s threshold.

In the commercial world, tiers are generally designed to offer discounts at higher volumes, which incentivizes higher use of a system. While there are some breakpoints here where the new SSA fee schedule does offer these discounts, the concern we are hearing from members is that in most cases the prices create disincentives. A per transaction cost with tiered pricing based on specific volume levels could alleviate the disincentives of the current structure and could lead to increased use of eCBSV over time.

We recognize the challenges and unknowns of setting up a new system and estimating likely transaction volumes – particularly when SSA is mandated by law to recover all of the costs

associated with developing an operating the eCBSV system. We believe the following steps will help to ensure that both SSA and industry are aligned to maximize the use of eCBSV:

1. While we understand that the new tier fee schedule is final, we ask that SSA work closely with Permitted Entities in future adjustments to this schedule. With constructive dialogue, our associations and the Permitted Entities can help ensure that the tiered fee schedule incentivizes greater use of eCBSV while also allowing SSA to recover its costs, as mandated by the Banking Bill.<sup>1</sup>
2. We note that the most recent Federal Register notice announcing the new fee structure stated the SSA will adjust the fee structure on “at least an annual basis” to reflect agency costs, which seems to indicate the fee schedule can change at any time. While this language seems to open the door to price adjustments more than once a year – which could create significant challenges for Permitted Entities ability to plan for costs and volumes – we are also interested in understanding whether the door might be open for us to work with SSA to revise the fee structure in 2022 to address the issues we have raised in this letter.
3. SSA should provide Permitted Entities additional details on SSA’s period for recovering its costs. The January 12, 2022 Federal Register Notice stated that SSA will recover the cost of the system over a three-year period. We would like to understand the reasoning behind the three-year period as well as more information on how much funds the SSA has already recovered. We believe it may be worth considering a longer time frame to recover costs.

We appreciate your attention to the issues we have raised. If you would like to discuss this, please contact Katie Wechsler with the Consumer First Coalition, [kwechsler@snwlawfirm.com](mailto:kwechsler@snwlawfirm.com) or Jeremy Grant with the Better Identity Coalition, [jeremy.grant@venable.com](mailto:jeremy.grant@venable.com).

Sincerely,

Better Identity Coalition

Consumer First Coalition

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<sup>1</sup> 42 U.S.C. § 405b(h)(1)(A) (“Amounts obligated to carry out this section shall be fully recovered from the users of the ... verification system by way of advances, reimbursements, user fees or other recoveries as determined by the Commissioner.”).