



# SOCIAL SECURITY

The Commissioner

August 17, 2022

Katie Wechsler  
Consumer First Coalition  
2550 M St. NW, 8<sup>th</sup> Floor  
Washington, DC 20037

Jeremy A. Grant  
Better Identity Coalition  
600 Massachusetts Avenue, NW  
Washington, DC 20001

Dear Ms. Wechsler and Mr. Grant:

Thank you for your letter regarding the Social Security Administration's (SSA) electronic Consent Based Social Security Number Verification (eCBSV) Service new tiered fee schedule that became effective on April 25, 2022. I understand your concerns, and appreciate your feedback related to the future of this service.

The eCBSV Service was developed under the auspices of Section 215 of the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 (Banking Bill; Pub. L. No. 115-174). eCBSV is a voluntary, consent, and fee-based Social Security Number (SSN) verification service that allows Permitted Entities (PEs), as defined by the Banking Bill, to verify an individual's SSN based on the SSN holder's signed (including electronically signed) consent in connection with a credit transaction. The Banking Bill requires that we fully recover our costs of developing and operating the system from eCBSV users and authorizes the agency to establish and adjust user charges to ensure we recover our full costs. The total cost for developing the service was \$50,000,000 through fiscal year (FY) 2021. We will recover current costs by FY 2025, assuming enrollments and transaction volumes meet forecasted projections. We calculated fees based on forecasted systems and operational expenses, agency oversight, overhead, and Certified Public Accountant audit contract costs.

The tier structure model and applicable fees charged to our customers depend on the number of PEs using the service and the annual transaction volume. To ensure that we do not spend appropriated funds on non-mission work, we require an advance payment from PEs for the full amount of the agreement prior to the start of work. We based the original eCBSV subscription tier structure and pricing on a June 2019 industry survey and other research. At that time, 123 entities expressed interest in the program, with an estimated annual volume of 1.8 billion transactions. However, actual enrolled PEs and annual transaction volume are considerably less than originally anticipated.

In 2021, as the initial enrollment period was ending, we surveyed the original 123 entities again. Only 45 entities remained interested in connecting directly to eCBSV, and the annual transaction volume decreased to approximately 280 million transactions. We followed the same methodology as we did in 2019, by looking for natural breaks in the updated entities estimated annual volumes to determine the volume levels for each tier. We also used feedback from entities asking us to break the original tier 4 (200,000 – 50,000,000 transactions) into several smaller tiers. We set the revised tier fees to allow us to break even three years from the end of the initial rollout.

Section 215(h)(1)(B) of the Banking Bill provides that “the amount of such prices shall be periodically adjusted by the Commissioner to ensure that amounts collected are sufficient to fully offset the cost of the administration of this section.” We monitor costs incurred to provide eCBSV services and revise the tier fee schedule accordingly. The Office of Management and Budget requires Federal agencies to review their fees assessed for Government services every two years. We have committed to reviewing eCBSV fees more frequently - at least annually, and we plan to conduct another review by the end of 2022. While the Banking Bill reserves us the authority to set and adjust eCBSV fees, we welcome suggestions, in writing, and believe this feedback can help ensure the tiered fee schedule incentivizes greater use of eCBSV while also allowing us to recover its costs on a timely basis.

Once we recover costs incurred for developing and administering the system, the annual fees collected in future years should be sufficient to cover the annual operating costs of the system. We have collected a total of \$12.4 million to-date, with unreimbursed costs of \$39 million. These uncollected funds represent work effort that could have been devoted to supporting our core mission. We decided on a three-year recovery period to allow for a timely, but equitable, reimbursement for the development and initial administration of the system. Until we recover the costs we incurred for eCBSV, our mission funding is being used for non-mission work. Accordingly, we cannot extend the time frame to recover our eCBSV costs.

Thank you for your continued support of the eCBSV Service. We are committed to ensuring that eCBSV is a viable service that is widely available to PEs. For additional information, please contact Christopher David, Office of Data Exchange, Policy Publications, and International Negotiations, by telephone at (866) 395-8801 or email at [eCBSV@ssa.gov](mailto:eCBSV@ssa.gov).

Sincerely,

A handwritten signature in black ink that reads "Kilolo Kijakazi". The signature is written in a cursive, flowing style.

Kilolo Kijakazi, Ph.D., M.S.W.  
Acting Commissioner