

program to include an inspection method for any new or affected SSI, and to include the compliance times for initial and repetitive accomplishment of this inspection. For purposes of this section, an SSI is "affected" if it has been altered or repaired, or if the loads acting on the SSI have been increased or redistributed. Following accomplishment of the revision and within the compliance times established, perform an inspection to detect cracks in the structure affected by any design change or repair, in accordance with the new inspection method. The new inspection method and the compliance times shall be approved by the Manager, Seattle ACO.

Note 6: Notwithstanding the provisions of paragraphs 5.1.17 and 5.1.18 of the General Instructions of Revision D, which would permit deletions of modified, altered, or repaired structure from the SIP, the inspection of SSI's that are modified, altered, or repaired shall be done in accordance with a method approved by the Manager, Seattle ACO.

(g) Before any airplane that is subject to this AD and that has exceeded the applicable compliance times specified in paragraph (c) of this AD can be added to an air carrier's operations specifications, a program for the accomplishment of the inspections required by this AD must be established in accordance with paragraph (g)(1) or (g)(2) of this AD, as applicable.

(1) For airplanes that have been inspected in accordance with this AD, the inspection of each SSI must be accomplished by the new operator in accordance with the previous operator's schedule and inspection method, or the new operator's schedule and inspection method, whichever would result in the earlier accomplishment date for that SSI inspection. The compliance time for accomplishment of this inspection must be measured from the last inspection accomplished by the previous operator. After each inspection has been performed once, each subsequent inspection must be performed in accordance with the new operator's schedule and inspection method.

(2) For airplanes that have not been inspected in accordance with this AD, the inspection of each SSI required by this AD must be accomplished either prior to adding the airplane to the air carrier's operations specification, or in accordance with a schedule and an inspection method approved by the Manager, Seattle ACO. After each inspection has been performed once, each subsequent inspection must be performed in accordance with the new operator's schedule.

(h)(1) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Seattle ACO. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO.

Note 7: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

(2) Alternative methods of compliance, approved previously in accordance with AD

91-14-20, amendment 39-7061, are not considered to be approved as alternative methods of compliance with this AD.

(i) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Issued in Renton, Washington, on July 31, 1997.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97-20732 Filed 8-6-97; 8:45 am]

BILLING CODE 4910-13-O

SOCIAL SECURITY ADMINISTRATION

20 CFR Parts 404 and 422

RIN 0960-AE09

Federal Old-Age, Survivors, and Disability Insurance; Disclosure of Information to Consumer Reporting Agencies and Overpayment Recovery Through Administrative Offset Against Federal Payments

AGENCY: Social Security Administration.

ACTION: Proposed rules.

SUMMARY: We propose to make several revisions to our regulations dealing with debt collection. First, we propose to modify the regulations dealing with the recovery of benefit overpayments under title II of the Social Security Act (the Act) to reflect statutory authority for the Social Security Administration (SSA) to selectively refer information to consumer reporting agencies and to recover title II overpayments through administrative offset by the Department of the Treasury against other Federal payments to which the overpaid individual may be entitled. These collection practices would be limited to overpayments made to a person after he or she attained age 18 that are determined to be otherwise unrecoverable under section 204 of the Act after the individual ceases to be a beneficiary under title II of the Act. Second, as an independent agency in the executive branch of the U.S.

Government, we propose to establish a new subpart D in part 422 of title 20 of the Code of Federal Regulations which will explain our rules on debt collection procedures for both administrative debts and for title II program overpayments determined to be otherwise unrecoverable under section 204 of the Act. These proposed rules for the new subpart D would address the reporting of delinquent debts to consumer and other credit reporting agencies and the use of administrative offset through the

Department of the Treasury. Third, we propose to revise our rules on the recovery of title II program overpayments through the use of the Federal income tax refund offset (TRO) provisions to reflect that, beginning January 1, 1998, the Department of the Treasury, rather than the Internal Revenue Service (IRS), will administer the TRO program, and to reflect other changes in policies and procedures applied by the IRS and the Department of the Treasury in the TRO program.

DATES: To be sure your comments are considered, we must receive them no later than October 6, 1997.

ADDRESSES: Comments should be submitted in writing to the Commissioner of Social Security, P.O. Box 1585, Baltimore, Maryland 21235, sent by telefax to (410) 966-2830, sent by e-mail to "regulations@ssa.gov," or delivered to the Division of Regulations and Rulings, Social Security Administration, 3-B-1 Operations Building, 6401 Security Boulevard, Baltimore, MD 21235, between 8:00 a.m. and 4:30 p.m. on regular business days. Comments may be inspected during these same hours by making arrangements with the contact person shown below.

FOR FURTHER INFORMATION CONTACT: Robert J. Augustine, Legal Assistant, Division of Regulations and Rulings, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235, (410) 966-5121. For information on eligibility or claiming benefits, call our national toll-free number, 1-800-772-1213.

SUPPLEMENTARY INFORMATION: Section 204 of the Act prescribes the methods SSA may use to recover Social Security benefits erroneously paid under title II of the Act (title II program overpayments), as distinguished from the methods SSA may use to collect other debts owed the agency (administrative debts) that are recoverable under other statutory authority. Until recently, SSA was authorized to recover title II program overpayments only through adjustment of future benefits payable to the overpaid individual or to others on the earnings record on which the overpayment was made, by direct recovery from the overpaid person (or the overpaid person's estate, if deceased), or by offset against Federal income tax refunds due from the Department of the Treasury.

Amendments to section 204 of the Act by section 5 of Pub. L. 103-387 (1994) and section 31001(z)(2) of Pub. L. 104-134 (1996) permit SSA to use several debt collection procedures that have

been available to Federal agencies (including SSA) by statute since 1982, but that SSA had been precluded from using to recover title II program overpayments. Among other things, these procedures include reporting delinquent debts to consumer and other credit reporting agencies and recovering debts by administrative offset against other Federal payments to which the debtor is entitled. Under section 204(f) of the Act (42 U.S.C. 404(f)), these additional debt collection procedures may be used to recover title II program overpayments only if the overpayment was made to a person after he or she attained age 18 and the overpayment has been determined to be otherwise unrecoverable under section 204 of the Act after the overpaid person is no longer entitled to benefits under title II of the Act.

Before we can refer information to consumer or other credit reporting agencies or refer a debt to the Department of the Treasury for administrative offset (either title II program overpayments or administrative debts), we must (1) send the debtor written notice (or, in the case of an individual for whom we do not have a current address, take reasonable action to locate and send written notice) describing the amount and nature of the debt, the action that we propose to take, and the debtor's rights to an explanation of the debt, to request us to review the debt, to dispute the accuracy of the information about the debt, and to inspect or copy our records about the debt; and (2) give the debtor at least 60 calendar days to present evidence that all or part of the debt is not past-due or not legally enforceable, or enter into a written agreement to pay the debt.

Prior to March 31, 1995, SSA was an operating division of the Department of Health and Human Services (DHHS). SSA relied on the DHHS rules at 45 CFR part 30 for debt collection (other than collection of title II program overpayments). The Social Security Independence and Program Improvements Act of 1994 (SSPIA), Pub. L. 103-296, established SSA as an independent agency in the executive branch of the Federal government effective March 31, 1995, and vested general regulatory authority in the Commissioner of Social Security (the Commissioner). Under section 106(b) of the SSPIA, DHHS regulations in effect immediately before March 31, 1995, which relate to functions now vested in the Commissioner by reason of SSA's independence, continue to apply to SSA until such time as they are modified, suspended, terminated, or repealed by the Commissioner. In this rule, we

propose to establish a new subpart D in part 422 of our regulations which will set forth the SSA rules on debt collection for title II program overpayments that have been determined to be otherwise unrecoverable under section 204 of the Act and for administrative debts. At this time, we propose to set forth in subpart D our rules on referral to consumer and other credit reporting agencies and referral to the Department of the Treasury for administrative offset. In the future, as we make the necessary systems changes and develop policies and procedures to enable us to use additional debt collection tools for recovery of title II program overpayments, we will modify subpart D of part 422. In the meantime, we will continue to rely on the definitions and collection methods contained in the DHHS regulations in 45 CFR part 30 to recover administrative debts owed the Federal government.

We are also proposing revisions to our existing rules on the recovery of title II program overpayments through the withholding of amounts due to former beneficiaries as Federal income tax refunds to reflect the fact that, beginning January 1, 1998, the Federal income tax refund offset (TRO) program will be administered by the Department of the Treasury, Financial Management Service (FMS), instead of the IRS. The policy requiring agencies to delay referral of debts for TRO for three months after the right to collect first accrued has been rescinded. Also, the TRO program, as administered by FMS, will be ongoing rather than cyclical so that it will no longer be necessary for agencies to recertify amounts for collection by TRO each year. Instead, the case will remain with FMS for offset in succeeding years.

Explanation of Changes to Regulations

We propose to revise our title II rules on TRO at §§ 404.520-404.526 to reflect the fact that, beginning January 1, 1998, we will be referring title II program overpayments for TRO to the Department of the Treasury, rather than to IRS. Section 404.520 would be revised to delete the requirement that a debt may not be referred for TRO before the expiration of three months after our right to collect first accrued. Section 404.526 would also be revised by deleting reference to the need to recertify an overpayment for TRO in cases where a tax refund is insufficient to recover an overpayment in a given year, reflecting the fact that the case will now remain with the Department of the Treasury for offset in succeeding years without need for recertification.

We propose to add a new § 404.527 to our regulations to explain that we will use the additional debt collection methods authorized by section 204(f) of the Act to recover title II program overpayments if the overpayment occurred after the individual attained age 18, and the overpayment has been determined to be otherwise unrecoverable under section 204 of the Act after the individual is no longer entitled to benefits under title II of the Act. Proposed § 404.527 also contains the criteria under which we determine that an overpayment is "otherwise unrecoverable under section 204 of the Act." An overpayment debt will be determined to be unrecoverable when all of the following conditions are met: we completed our billing sequence or collection activity has been suspended or terminated in accordance with the Federal Claims Collection Standards in 4 CFR 104.2 and 104.3; there is no installment payment agreement or the overpaid person has failed to pay in accordance with such an agreement for two consecutive months; we cannot collect the overpayment by adjusting benefits payable to individuals other than the overpaid person. For purposes of proposed § 404.527, an overpayment will be deemed to be unrecoverable by adjustment of benefits payable to an individual who lived in a separate household from the overpaid person when the overpayment occurred and did not receive the overpayment. Adjustment of benefits is waived when waiver is requested under these circumstances. See 20 CFR 404.509.

We propose to add to § 404.903 new paragraphs (t) and (u) to include in the list of administrative actions that are not initial determinations our determinations whether we will refer information about an overpayment debt to consumer reporting agencies and whether we will refer the debt to the Department of the Treasury for offset against other Federal payments due the overpaid person. Administrative actions that are not initial determinations may be reviewed by us, but they are not subject to the administrative review process provided by subpart J of our regulations at 20 CFR part 404, and they are not subject to judicial review.

We also propose to create a new subpart D to part 422 of our regulations to contain our rules on certain debt collection practices and procedures. In § 422.301, we would specify that the debt collection tools in subpart D may be used to recover both title II program overpayments the Commissioner has determined to be unrecoverable under section 204 of the Act and overdue administrative debts owed the agency.

In § 422.305, we explain that we will refer all overdue title II program debts over \$25 to consumer reporting agencies. We describe the information we must include in the notice we send to the debtor before we report the debt to a consumer reporting agency. We also explain in this section that, in cases where an individual disputes the information we propose to refer to a consumer reporting agency within 60 calendar days of our notice of our proposed referral, we will not send the information until we determine the correct information.

In § 422.306, we explain that we will refer all overdue administrative debts over \$25 to credit reporting agencies. We also describe the information we must include in the notice we send to the debtor before we report the debt to a credit reporting agency. Examples of administrative debts are overpayments of employees' pay and allowances, debts for civil money penalties imposed under section 1140(b) of the Act, debts for unpaid fees for reimbursable services by SSA (e.g., disclosure of information), contractor debts, etc.

In § 422.310, we explain our rules relating to referring debts to the Department of the Treasury for administrative offset. Specifically, we explain that we will refer overdue debts over \$25 to the Department of the Treasury for offset against any Federal payments due the debtor. We also describe the information we must include in the notice we send to the debtor before referring the debt to the Department of the Treasury for administrative offset.

In § 422.315, we explain that a debtor has the right to inspect or copy our records related to a debt before we refer the debt to a consumer or credit reporting agency or to the Department of the Treasury for administrative offset, and the procedures for exercising that right.

In § 422.317, we explain that a debtor has the right to have us review the debt. To exercise this right, the debtor must notify us within 60 calendar days from the date of our notice of proposed referral and give us evidence that he or she does not owe all or part of the debt, or we do not have the right to collect it. After our review of the evidence, we explain that we will issue written findings of our review. If the debtor requests review and submits evidence within the 60-day period, we will not refer the debt to consumer or credit reporting agencies or to the Department of the Treasury unless and until we have completed our review and sent our findings to the debtor that all or part of

the debt is overdue and legally enforceable.

Electronic Version

The electronic file of this document is available on the Federal Bulletin Board (FBB) at 9:00 a.m. on the date of publication in the **Federal Register**. To download the file, modem dial (202) 512-1387. The FBB instructions will explain how to download the file and the fee. The file is in WordPerfect and will remain on the FBB during the comment period.

Regulatory Procedures

Executive Order 12866

We have consulted with the Office of Management and Budget (OMB) and determined that these proposed rules do not meet the criteria for a significant regulatory action under Executive Order 12866. Thus, they were not subject to OMB review.

Regulatory Flexibility Act

We certify that these proposed regulations will not have a significant impact on a substantial number of small entities. Therefore, a regulatory flexibility analysis, as provided in the Regulatory Flexibility Act, as amended, is not required.

Paperwork Reduction Act

These proposed regulations will impose no new reporting or recordkeeping requirements requiring OMB clearance.

(Catalog of Federal Domestic Assistance Programs No. 96.001, Social Security—Disability Insurance; 96.002 Social Security—Retirement Insurance; 96.003 Social Security—Special Benefits for Persons Aged 72 and Over; 96.004, Social Security—Survivors Insurance)

List of Subjects

20 CFR Part 404

Administrative practice and procedure, Blind, Death benefits, Disability benefits, Old-Age, Survivors and Disability Insurance, Reporting and recordkeeping requirements, Social security.

20 CFR Part 422

Administrative practice and procedure, Organization and functions (Government agencies), Social security.

Dated: July 28, 1997.

John J. Callahan,

Acting Commissioner of Social Security.

For the reasons set out in the preamble, we propose to amend subparts F and J of part 404 of chapter III of title 20 of the Code of Federal Regulations and to add a new subpart D

to part 422 of chapter III of title 20 of the Code of Federal Regulations as follows:

1. The authority citation for subpart F of Part 404 is revised to read as follows:

Authority: Secs. 204, 205(a), and 702(a)(5) of the Social Security Act (42 U.S.C. 404, 405(a), and 902(a)); 31 U.S.C. 3720A.

2. Section 404.520 is revised to read as follows:

§ 404.520 Referral of overpayments to the Department of the Treasury for tax refund offset—General.

(a) The standards we will apply and the procedures we will follow before requesting the Department of the Treasury to offset income tax refunds due taxpayers who have an outstanding overpayment are set forth in §§ 404.520 through 404.526. These standards and procedures are authorized by 31 U.S.C. 3720A and are implemented through Department of the Treasury regulations at 26 CFR 301.6402-6.

(b) We will use the Department of the Treasury tax refund offset procedure to collect overpayments that are certain in amount, past due and legally enforceable, and eligible for tax refund offset under regulations issued by the Department of the Treasury. We will use these procedures to collect overpayments only from individuals who are not currently entitled to monthly Social Security benefits under title II of the Act. We will refer an overpayment to the Department of the Treasury for offset against tax refunds no later than 10 years after our right to collect the overpayment first accrued.

3. Section 404.521 is amended by revising the introductory text to read as follows:

§ 404.521 Notice to overpaid individual.

A request for reduction of a Federal income tax refund will be made only after we determine that an amount is owed and past due and send the overpaid individual written notice. Our notice of intent to collect an overpayment through tax refund offset will state:

* * * * *

4. Section 404.526 is revised to read as follows:

§ 404.526 Tax refund insufficient to cover amount of overpayment.

If a tax refund for a given taxable year is insufficient to recover an overpayment completely, the case will remain with the Department of the Treasury for offset, assuming that all criteria for offset continue to be met.

5. Section 404.527 is added to read as follows:

§ 404.527 Additional methods for recovery of title II benefit overpayments.

(a) *General.* In addition to the methods specified in § 404.502 and § 404.520, an overpayment under title II of the Act is also subject to recovery under the rules in subpart D of part 422, provided:

(1) The overpayment occurred after the individual has attained age 18;

(2) The overpaid individual is no longer entitled to benefits under title II of the Act; and

(3) Pursuant to paragraph (b) of this section, we have determined that the overpayment is otherwise unrecoverable under section 204 of the Act.

(b) *When an overpayment is considered to be otherwise unrecoverable.* An overpayment under title II of the Act is considered to be otherwise unrecoverable under section 204 of the Act if all of the following conditions are met:

(1) Our billing system sequence has been completed (i.e., we have sent the individual an initial notice of the overpayment, a reminder notice, and a past-due notice) or collection activity has been suspended or terminated in accordance with the Federal Claims Collection Standards in 4 CFR 104.2 or 104.3.

(2) We have not entered into an installment payment arrangement with the overpaid individual or, if we have entered into such an arrangement, the overpaid individual has failed to make any payment for two consecutive months.

(3) The overpaid individual has not requested waiver pursuant to § 404.506 or § 404.522 or, after a review conducted pursuant to those sections, we have determined that we will not waive collection of the overpayment.

(4) The overpaid individual has not requested reconsideration of the initial overpayment determination pursuant to §§ 404.907 and 404.409 or, after a review conducted pursuant to § 404.913, we have affirmed, in whole or in part, the initial overpayment determination.

(5) The overpayment cannot be recovered pursuant to § 404.502 by adjustment of benefits payable to any individual other than the overpaid individual. For purposes of this paragraph, an overpayment will be deemed to be unrecoverable from any individual who was living in a separate household from the overpaid person at the time of the overpayment and did not receive the overpayment.

6. In addition to the amendments set forth above, remove the acronym "IRS" and add, in its place, the words "Department of the Treasury" in the following places:

(a) Section 404.521(b);

(b) Section 404.522(b);

(c) Section 404.523(a) and (c); and

(d) Section 404.525.

7. The authority citation for subpart J of Part 404 is revised to read as follows:

Authority: Secs. 201(j), 204(f), 205(a), (b), (d)–(h), and (j), 221, 225, and 702(a)(5) of the Social Security Act (42 U.S.C. 401(j), 404(f), 405(a), (b), (d)–(h), and (j), 421, 425, and 902(a)(5)); 31 U.S.C. 3720A; sec. 5, Pub. L. 97–455, 96 Stat. 2500 (42 U.S.C. 405 note); secs. 5, 6(c)–(e), and 15, Pub. L. 98–460, 98 Stat. 1802 (42 U.S.C. 421 note).

8. Section 404.903 is amended by deleting the word "and" at the end of paragraph (r), replacing the period at the end of paragraph (s) with a semicolon, and adding paragraphs (t) and (u) to read as follows:

§ 404.903 Administrative actions that are not initial determinations.

* * * * *

(t) Determining whether we will refer information about your overpayment to a consumer reporting agency (see § 404.527 and § 422.305 of this chapter); and

(u) Determining whether we will refer your overpayment to the Department of the Treasury for collection by offset against Federal payments due you (see § 404.527 and § 422.310 of this chapter).

PART 422—ORGANIZATION AND PROCEDURES

10. Subpart D is added to read as follows:

Subpart D—Claims Collection

Sec.

422.301 Material included in this subpart.

422.305 Report of overdue title II program overpayment debts to consumer reporting agencies.

422.306 Report of overdue administrative debts to credit reporting agencies.

422.310 Collection of overdue debts by administrative offset.

422.315 Review of our records related to the debt.

422.317 Review of the debt.

Subpart D—Claims Collection

Authority: Secs. 204(f), 205(a), and 702(a)(5) of the Social Security Act (42 U.S.C. 404(f), 405(a), and 902(a)(5)); 31 U.S.C. 3711(e); 31 U.S.C. 3716.

§ 422.301 Material included in this subpart.

This subpart describes the procedures relating to collection of:

(a) Overdue administrative debts, and

(b) Overdue title II program overpayments described in § 404.527 of this chapter.

§ 422.305 Report of overdue title II program overpayment debts to consumer reporting agencies.

(a) *Debts we will report.* We will report to consumer reporting agencies all overdue title II program overpayment debts over \$25.

(b) *Notice to debtor.* Before we report any such debt to a consumer reporting agency, we will send the debtor written notice of the following:

(1) We have determined that payment of the debt is overdue;

(2) We will refer the debt to a consumer reporting agency within not less than 60 calendar days after the date of the notice unless, within that 60-day period, the debtor pays the full amount of the debt or takes either of the actions described in paragraphs (b)(6) or (b)(7) of this section;

(3) The specific information we will provide to the consumer reporting agency, including information that identifies the debtor (e.g., name, address, and social security number) and the amount, status, and history of the debt;

(4) The debtor has the right to a complete explanation of the debt;

(5) The debtor may dispute the accuracy of the information to be provided to the consumer reporting agency;

(6) The debtor may request a review of the debt by giving us evidence showing that he or she does not owe all or part of the amount of the debt or that we do not have the right to collect it; and

(7) The debtor may request an installment payment plan.

(c) *Disputing the information that we would send to consumer reporting agencies.* If a debtor believes that the information we propose to send to consumer reporting agencies is incorrect, the debtor may ask us to correct such information. If, within 60 calendar days from the date of our notice described in paragraph (b) of this section, the debtor notifies us that any information to be sent to consumer reporting agencies is incorrect, we will not send the information to consumer reporting agencies until we determine the correct information.

§ 422.306 Report of overdue administrative debts to credit reporting agencies.

(a) *Debts we will report.* We will report to credit reporting agencies all overdue administrative debts over \$25. Some examples of administrative debts are as follows: overpayments of pay and allowances paid to employees, debts for civil monetary penalties imposed under section 1140(b) of the Act, debts for unpaid fees for reimbursable services

performed by SSA (e.g., disclosures of information), and contractor debts.

(b) *Notice to debtor.* Before we report any administrative debt to a credit reporting agency, we will send the debtor written notice of the following:

(1) We have determined that payment of the debt is overdue;

(2) We will refer the debt to a credit reporting agency within not less than 60 calendar days after the date of the notice unless, within that 60-day period, the debtor pays the full amount of the debt or takes either of the actions described in paragraphs (b)(6) or (b)(7) of this section;

(3) The specific information we will provide to the credit reporting agency, including information that identifies the debtor (e.g., name, address, social security number, and employer identification number) and the amount, status, and history of the debt.

(4) the debtor has the right to a complete explanation of the debt;

(5) the debtor may dispute the accuracy of the information to be provided to the credit reporting agency;

(6) the debtor may request a review of the debt by giving us evidence showing that he or she does not owe all or part of the amount of the debt or that we do not have the right to collect it; and

(7) the debtor may request an installment payment plan.

§ 422.310 Collection of overdue debts by administrative offset.

(a) *Referral to the Department of the Treasury for offset.* We will recover overdue debts by offsetting Federal payments due the debtor through the Treasury Offset Program (TOP). TOP is a Governmentwide delinquent debt matching and payment offset process operated by the Department of the Treasury, whereby debts owed to the Federal Government are collected by offsetting them against Federal payments owed the debtor.

(b) *Debts we will refer.* We will refer for administrative offset all overdue debts over \$25.

(c) *Notice to debtor.* Before we refer any debt for collection by administrative offset, we will send the debtor written notice that:

(1) We have determined that payment of the debt is overdue;

(2) We will refer the debt for administrative offset within not less than 60 calendar days after the date of the notice unless, within that 60-day period, the debtor pays the full amount of the debt or takes either of the actions described in paragraphs (c)(4) or (c)(5) of this section;

(3) The debtor may inspect or copy our records relating to the debt;

(4) The debtor may request a review of the debt by giving us evidence

showing that the debtor does not owe all or part of the amount of the debt or that we do not have the right to collect it; and

(5) The debtor may request an installment payment plan.

§ 422.315 Review of our records related to the debt.

(a) *Notification by the debtor.* The debtor may request to inspect or copy our records related to the debt.

(b) *Our response.* In response to a request from the debtor described in paragraph (a) of this section, we will notify the debtor of the location and time at which the debtor may inspect or copy our records related to the debt. We may also, at our discretion, mail to the debtor copies of the records relating to the debt.

§ 422.317 Review of the debt.

(a) *Notification and presentation of evidence by the debtor.* A debtor who receives a notice described in §§ 422.305(b), 422.306(b), or 422.310(c) has a right to have us review the debt. To exercise this right, within 60 calendar days from the date of our notice, the debtor must notify us and give us evidence that he or she does not owe all or part of the debt or that we do not have the right to collect it. If the debtor does not notify us and give us this evidence within the 60 calendar-day period, we may take the action described in our notice.

(b) *Review of the evidence.* If the debtor notifies us and presents evidence within the 60 calendar day period described in paragraph (a) of this section, we will not take the action described in our notice unless and until we consider all of the evidence and send the debtor our findings that all or part of the debt is overdue and legally enforceable.

(c) *Findings by SSA.* Following our review of all of the evidence presented, we will issue written findings, including the supporting rationale for the findings. Issuance of these findings will be the final Agency action on the debtor's request for review. If we find that the debt is not overdue or we do not have the right to collect it, we will not send information about the debt to consumer or other credit reporting agencies or refer the debt to the Department of the Treasury for administrative offset.

[FR Doc. 97-20742 Filed 8-6-97; 8:45 am]

BILLING CODE 4190-29-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

31 CFR Part 1

Privacy Act of 1974, Proposed Rule Exempting System of Records From Certain Provisions

AGENCY: Internal Revenue Service, Treasury.

ACTION: Proposed rule.

SUMMARY: In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Department of the Treasury gives notice of a proposed rule to exempt a new system of records entitled, "Customer Feedback System Treasury/IRS 00.003," from certain provisions of the Privacy Act. The exemption is intended to comply with legal prohibitions against the disclosure of certain kinds of information and to protect certain information on individuals maintained in this system of records.

DATES: Comments must be received no later than September 8, 1997.

ADDRESSES: Please submit comments to the National Director, Governmental Liaison and Disclosure Office, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington DC. 20224. Comments will be made available for inspection and copying at the Freedom of Information Reading Room upon request.

FOR FURTHER INFORMATION CONTACT: Michael Sincavage, 6103/Privacy Operations, Governmental Liaison and Disclosure, Internal Revenue Service at (202) 622-6240.

SUPPLEMENTARY INFORMATION: Pursuant to the Privacy Act of 1974, the Department of the Treasury is publishing separately the notice of a new Treasury/IRS system of records to be maintained by the IRS. The Department of the Treasury is hereby giving notice of a proposed rule to exempt the Customer Feedback System of records from certain provisions of the Privacy Act pursuant to 5 U.S.C. 552a (k)(4) and the authority vested in the Commissioner of Internal Revenue by 31 CFR 1.23(c).

Under 5 U.S.C. 552a, the head of any agency may promulgate rules to exempt any system of records within the agency from certain provisions of the Privacy Act of 1974, if the system is required by statute to be maintained and used solely as statistical records.

The reason for exempting the above-named system of records is that disclosure of statistical records (including release of any accounting for disclosure) would be of no benefit to a particular individual since the records