

Financial Institution Data Match (FIDM)



September 19, 2011

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FIDM Goals:

- Increase collections of delinquent child support
- Use technology to help collect child support
- Maintain the integrity and security of both financial institution and child support data
- Gain information about the delinquent NCP from financial institutions. Information may be used for collections, to locate an NCP, or to modify a support order

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Brief History of Financial Institution Data Match (FIDM)

- Financial Institution Data Match was enacted as part of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) and is codified at 42 USC Sec. 666 (a) (17).
- Minnesota Statute Section 13B.06 was enacted in 1997 to start the data matching agreement process.
- The Minnesota Legislature enacted Minnesota Statute Section 552.06 in 2000 that sets up the requirements for FIDM in 2000. This statute allows the County to put a lock on certain types of accounts without notice to the obligor and without prior court proceedings. The turn-around is very quick, 45 days from levy to collection.
- In 2001 the State of Minnesota enabled PRISM to generate work lists showing multi-state financial institution data matches for Minnesota's child support obligor's, this makes the process of matching obligor's and accounts automated.

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History continued

- In 2001 the State of Minnesota enabled PRISM to generate work lists showing multi-state financial institution data matches for Minnesota's child support obligor's, this makes the process of matching obligor's and accounts automated.
- In 2002 CSED automated the process – provides CSOs with worklists for cases that meet eligibility criteria

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Financial Institutions (FI)

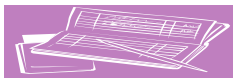
- Defined in MN Statute § 13B.06, Subd. 1 (c)
- Banks, Savings and Loans
- Federal and State Credit Unions
- Benefit Associations, Insurance Companies, Safe Deposit Companies, Money Market Funds and similar institutions



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Types of Accounts Subject to FIDM

- MN Statute 13B.03, Subd. 1 (a)
- Checking
- Demand Deposit
- Savings
- Time Deposit
- Money Market
- Mutual Funds
- Compound Accounts



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**FIDM Source:
In-State vs. Multi-State Matches**



- In-State Matches:

Financial Institutions that do business only in Minnesota or Financial Institutions that operate in multiple states but choose to report directly with each state they do business with.

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**FIDM Source:
In-State vs. Multi-State Matches**



- Multi-State Matches:

Financial Institutions that conduct business in more than one state and have chosen to conduct the matching process through the federal office of Child Support Enforcement.

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**Which Data Elements
will be matched?**


Each quarter the financial institution must provide:

- Name
- Address
- SSN or other Taxpayer Identification Number
- Other identifying Information



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When is a person eligible for FIDM levy?

- At least one case with arrears greater than or equal to 5 times the court ordered monthly amount
- If arrears only, arrears are greater than \$100.00 (per PRISM programming)
- Previously submitted for Federal or State tax intercept
- Obligor is not in bankruptcy 
- Not in compliance with any payment agreement

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Selection

- Person Checks, Case Checks, & Obligation Checks, Threshold checks
- Activity E5000 - NCP SUBMITTED FOR FINANCIAL INST. DATA MATCH
- ENFL will display FIN = ACT & Begin Date will display



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Worklists...

- E5002 FI MATCH RECEIVED CASE ELIG FOR LEVY ARRS <\$5000

This worklist is purgeable, but CSO should either request a levy (LEV) or decline (DEC) a levy on the Financial Institution Levy Detail (FILD) screen. Either action purges this worklist.

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Worklists...

- **E5003 FI MATCH RECEIVED CASE ELIG FOR LEVY ARRS>\$5000**

The CSO must either request a levy (LEV) or decline (DEC) a levy on the FILD screen to purge this worklist.

- **L5000 FI MATCH RECEIVED NCP NOT ELIG FOR A LEVY**

This worklist is intended to assist in locating the NCP. The target of the worklist is the Financial Institution Acct Detail (FIAD) screen.

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Levy or Decline

- Use the FIDM Pre-Levy Case Assessment Checklist to determine if the levy is appropriate.
- Select the worklist to review Financial Institution Levy Detail (FILD)
- Review the Financial Institution Acct Detail (FIAD) screen to determine whether to request further verification from the financial institution

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FILD

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V4PNHQ01          PRISM          UD62 X162000
03/11/08          Financial Institution Levy Detail          2 more >
*Action (B,D,M,N):
Case: 0012345678 01   TIN: 410257170
Case: 0012345678 01   CSES Case: Y Worker: 123CS000 Stat: ODN Func: EN
CP Name: DOE, JANE                               Prog: NFA
NCP Name: DOE, JOHN                               IntSt:   File Loc:

Date: 01/15/2008                                Total Levy Amt:
FI Name:  WOODLANDS NATIONAL BANK                Adjusted Levy Amt:
FI Address: PO BOX B                             Amt Applied: _____
MN 56359-                                         FI Notice Req :
                                                    NCP Notice Date:

FIDM Source: I
Status Code: INI                                 Prev Status:
DNC/REN/EXP Reason: _____                Hearing Date:
Reviewer:                                         Status Date:

Direct Command:                                  ( FILD )
F1=Help, F2=Quit, F3=Retrn, F4=Prev, F6=Debt, F7=Up, F8=Down, F10=Left, F11=Right
F13=URL, F19=Main, F19=Glob, F20=Audit
Scrolling performed.

```

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FIAD

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V4FWQ001          PRISM          UD62 X162000
03/11/08          Financial Institution Acct Detail          3:33 PM
*Action (B,C,D,N):
MCI: 0012345679  TIN: 410257170  Acct#: 27018529          Date: 01/15/2008
MCI: 0012345679  Name: DOE, JOHN
SSN: 111-11-1111  DOB: 12/10/52  Gender: M  Number of Cases: 1

FI Name: WOODLANDS NATIONAL BANK          Acct Ind: 0  SOL
FI Address: PO BOX B          Acct Bal:          529.00
           ONAMIA          MN 56359-          Acct Type: 04 CHECK
Acct Name: DOE JOHN          Match SSN: 111-11-1111

  1  of 1          FI Notice          FILD  Dec/Term          Total          Review
Case          Date          Status          Reason          Arrears          Worker
0012345678  01          DEC          SUP          X162000

Direct Command:          ( FIAD )
F1=Help, F2=Quit, F3=Retrn, F4=Prev, F6=Doc, F7=Up, F8=Down, F13=TEBL, F18=Main
F19=Glob, F20=Audit
FIDM 0012345679-410257170-270185 displayed effective for 01/15/08
    
```

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FIDM Pre-Levy Checklist...



- **FIAD and FILD –**

Verify SSN, account holder, & account type

- 0 Primary & sole account holder,
- 1 Secondary account holder
- 2 Primary, but not sole account holder

Verify that account balance has been provided - "blank"

Financial institutions are not required to provide account balances.

- **NCDE –** Compare demographics

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Locate Information

- The NCP's whereabouts are unknown.
Press <F1> while in the *Acct Name* field on Financial Institution Acct Detail (FIAD) screen to see the account holder's address.

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FIDM Accountholder Address Information
Acct Name: DOE JOHN
Address : 100 MAIN ST          MN 55795-
           ANY CITY
    
```

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Financial Institution Request, F0420

- No balance information provided – “blank” or 0
- Multi-state institution that does business in Minnesota, but the levy address provided is in another state and the CSO is trying to find out if the account is located in Minnesota.
- FIAD, F6 to generate Financial Institution Info Request, F0420

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...Pre-Levy Checklist...



- PALC - Is NCP paying?
- BAND - Has NCP subsequently filed bankruptcy?
- PAPD - Is NCP in compliance on a payment agreement?
(Remove the case # at bottom of PAPD to check the MCI #)
- SUOD - MN order or registered in MN for enforcement?

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...More Levy Checklist



- **FILD Screen**
 - If multiple accounts, all accounts are frozen up to levy amount
 - ‘B’rowse to view history of prior levies & panel 2 for court hearings
 - F6 displays total arrears eligible for levy & displays a list of orders
- NOTE: Do not levy on “expired judgments”
- If source code = ‘M’ulti-state verify location of account

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...More Levy Checklist

- **CAAD**
'B'rowse recent activities for other reasons that a levy would be unsuccessful
- **CAST**
I/R = I ; see Multi-State Flow Chart to determine next action

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FIDM Decline Reasons...

- **BNK** NCP has filed bankruptcy
- **CRT** Previous court order prohibits levy action
- **WRG** Wrong person or a mistake of fact
- **INT** Initiating interstate case and account is not in Minnesota or the case does not meet the other state's levy requirements.

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...FIDM Decline Reasons

- **OFF** Threshold not met due to offset. Arrears are not greater than five times the court ordered monthly obligation (pre-offset)
- **PA** NCP funds all public assistance (use this reason when account is determined to contain only PA funds; or NCP currently receives, or in the past 6 months has received, public assistance based on need)

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...FIDM Decline Reasons

- **LOW** Low arrears – less than five times the court ordered charging or for arrears only cases, arrears are less \$100
- **SUP** Supervisor decision (use this reason if a supervisor or attorney decides not to initiate a levy, or when NCP is in compliance with a written payment agreement) PRISM requires a comment
- **BAL** Balance in the account is low

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Document the Decline Reason

- Add additional comments to the decline reason 'pop-up window' with the specific reason or detail why the levy was declined
- For example:
 - BAL** State the balance in the account
 - LOW** Enter the amount of the arrears on the case
 - SUP** All arrears are expired judgment, see JCH01

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Decline reason 'pop-up window'

Press F6 & the additional comments will display in CAAD

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VV4FNHQ01          PRISM          #533 X162000
03/12/08          Financial Institution Levy Detail          2 more >
*Action (E,D,M,N): W
Case: 0012345678 01  TIN: 410256855
Case: 0012345678 01
CASE Case: Y Worker: 123CG000 Stat: OPN Func: EN
CP Name: DOE, JANE          Prog: NPA
NCP Name: DOE, JOHN          File Loc:

Date: 03/07/2008          Total Levy Amt:
PI Name: HERITAGE NATIONAL BANK          Adjusted Levy Amt:

VUFCPA02          Enter Narrative for Case Activity          #533 X162000
Activity Code: E5022 FIDM-DECLINED BY WORKER
LOW ARREARS
ARREARS = $200;LESS THAN 5X COURT ORDERED MONTHLY AMOUNT.

F1=Help,F3=Retrn,F6=Apply
Enter Case Activity narrative
  
```

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Suppression...

- A court order expressly prohibits submission for FIDM
- The case is pending receipt of a lump sum payment that will reduce the arrears to an amount less than the threshold for the remedy – 5 times the court ordered monthly amount
- The arrears are caused by a delay in payments from the responding jurisdiction
- The CSO has determined that a temporary condition exists that indicates enforcement would be inappropriate at this time

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...Suppression

- If suppressed on SUDL, PRISM adds activity E9018 – Case Suppressed For FIDM. Modify the activity to describe the reason for suppression
- Do not purge worklist E9426 Review FIN Suppression on case, with a future date of 180 days later
- NOTE: The CSO will lose the ability to use FIDM as a locate tool if they suppress a case from data matching. Data matching on PRISM is person-based

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Initiate a Levy



- Scenario : MN order or other state's order registered in MN for enforcement; account in MN
- Metro Sups Agreement
- See *Eligible Match Flowchart – page 10*
- Updating FILD Status Code = LEV, triggers PRISM to send Notice of Support Judgment Levy, F5101, to instruct the financial institution to 'hold' the funds for 45 days
- Within 3 business days, PRISM sends Notice of Levy, F5100 to NCP

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NCP Options:

- Informal – File claim of exemption with the County – 20 days
- File a Motion to Contest Levy – 30 days
- Ignore the notice and allow the levy to proceed –
After 45 days financial institution to submit funds
- Pay **all** arrears on **all** cases

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Claim of Exemption...



Exempt Funds:

- Needs-based public assistance benefits such as MFIP, SSI, MSA, emergency MSA, GAMC, Work First, MA, DWP, WB, EA, Work Readiness, Work First, emergency GA, or GA. Even a salary a person who receives needs-based benefits is exempt while receiving and for six months after receiving said benefits. 550.37, Subd. 14
- Earnings of someone up to six months after release from being an inmate at a correctional institution. 550.37, Subd. 14

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Exemptions. . . .cont'd



- Minor child's earnings or child support paid to the NCP. 550.37, Subd. 15
- Earnings not subject to garnishment (funds left after I/W) are exempt for 20 days after being deposited in the bank. 550.37, Subd. 13
- A portion of life insurance proceeds payable from policy of spouse or parent. 550.37, Subd. 10
- Accident or disability insurance payments. 550.39
- Veteran's pension, bonus, or compensation. 550.38

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Mistake of Fact...



- The noncustodial parent does not owe the child support arrears
- The noncustodial parent is not the person on the account
- The noncustodial parent does not have an ownership interest in the account
- If the account is joint and they can demonstrate funds were deposited by someone else

It is the NCP's burden to establish that the funds in the account are exempt or there is a mistake of fact.

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What's Not Exempt?

IRA's and other types of retirement accounts like pensions, Roth IRA's, and SEP's are not exempt when the debt is owed for a support order. Minn. Stat. 550.37, Subd. 24 (b).



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Evaluate Exemption Claim

- CSO terminates the levy and updates FILD with appropriate code for exemption, or
- Sends Notice of Exemption Denial, F5103, if no basis for exemption

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Motion to Contest Levy

- NCP files Notice of Motion to Contest Levy and a hearing is set no later than “10 calendar days” from hearing request
- NCP must serve the child support agency within 2 days of obtaining a hearing date
- No later than four business days prior to the hearing, draft, serve & file responsive affidavits

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Interstate Cases

- The lien and levy action is subject to the laws of the State where the asset or property is located
- Each state has different criteria for accepting FIDM levies and its own process to contest levies
- Check the Interstate Referral Guide (IRG) at www.acf.dhhs.gov/programs/cse to determine the other state’s requirements for FIDM or *Freeze and Seize*

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FIDM Match from Another State

- Direct Levy
 - All levy procedures must follow the other state’s laws
- Two-state action
 - Transmittal #1, F0200
 - Support collected will include funds from the levy and from all other enforcement remedies
 - Regular distribution for interstate cases
 - May require an SDSU



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FIDM Match from Another State

- Limited action to Another State
 - Transmittal #3, F0203
 - Payment from the other state will only include the money from the levy; the other state will take no further action on the case
 - May require an SDSU



See:
DHS-SIR>PRISM>Communications>PRISM Lists>Direct Levies
States or Financial Institutions

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To Hit or Not to Hit...

- Decision making process in terms of:
 - Is NCP paying?
 - What is account balance?
 - What is arrears balance?
 - Other relevant factors

Rather than in terms of a threshold!

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Case Scenarios

- Account balance is \$330.00
- NCP address on PRISM is unknown
- Last payment 07-02-05
- PA arrears balance \$11,236.95

HIT IT!

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Case Scenarios

- Account balance is \$798.00
- Court ordered payback is \$80.00 per month
- IW is in place from RSDI
- Arrears balance is \$914.00

DON'T HIT IT!

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Case Scenarios

- Account balance is \$43,920.00
- NCP is paying 120%
- Arrears balance is \$25,673.69
- Notes in case indicate NCP was in process of selling off some rental property

HIT IT!

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Case Scenarios

- Account balance is \$726.00
- NCP is paying 120%
- IW is not in place, regular payments
- Notes indicate NCP is between jobs
- Arrears balance is \$23,786.40
- Current charging is \$307.00 per month

DON'T HIT IT!

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Payment Agreements

- Check for pending FIDM before entering a payment agreement
- Consult attorney before entering into a payment agreement to prevent future FIDM hits or resolving current FIDM

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Payment Agreements

- When entering a DL payment agreement while FIDM is pending:
 - Write on the payment agreement that it does not apply to the pending bank levy
 - Make sure the NCP understands that the DL payment agreement does not stop the current levy action
 - CAAD clearly and carefully!

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Paying 120%

- In the past, there was discussion that receipt of consistent payments of 120% was the same as a written payment agreement
- Consistent payments in the amount of 120% should be a factor in considering whether or not to levy...
 - ...but is not the only factor.

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CAAD Notes

Attorneys cannot view FIDM or FIAD so CAAD notes crucial for their review

Add CAAD notes regarding:

- Payment agreement negotiations
- FIDM hearings
- Decline reasons
- Conversations with NCP regarding the levy

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Informal Resolutions

- According to statute, informal resolutions are limited to “mistake of fact” or “claim of exemption”
- Ramsey County & Itasca County negotiate beyond the statutory informal resolution
- If you have a case in question, see your supervisor and team attorney

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Case Law

Hamlin v. Mille Lacs County A04-2043 (2005)

Summary execution on funds held in joint account because of obligor’s non-compliance with a payment plan. Funds were obligor’s spouses and not subject to levy. Spouse sued child support for damages related to FIDM. County was immune as CSO exercised due care in applying the statute.

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Joint Accounts

Enright v. Lehmann 735 N.W. 2d 326 (Minn. 2007)

A 1951 case Park Enterprises, 47 N.W. 2d 194 (1951) held that all funds in a joint account may be used to satisfy debt of any holder. Multi-Party Accounts Act Sec. 524.6-203 (a) (2006) prohibited a creditor from garnishing funds unless the creditor proves by clear and convincing evidence the depositing party intended to confer ownership of the fund. Lower court ruled that because the law was contained in the Uniform Probate Code, it was not controlling, Park was. This Supreme Court case specifically over rules Park and the creditor may not garnish funds unless the creditor proves the depositing party intended to confer ownership.

Savig v. Savig 781 N.W. 2d 335 (Minn. 2010)

Provides that the account holders of a joint account bear the burden of proving the net contributions to the account as the judgment debtor is rebuttably presumed to own all the funds.

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Exemptions

John O. Melby & Co. Bank v. Anderson 276 N.W. 2d 274 Wis. (1979)

Garnishment restrictions of the Federal Consumer Credit Protection Act do not apply to wages after payment to an employee and deposit in his bank checking account.

But see MN Statute Sec. 550.37, Subd. 13 which provide the disposable earnings shall also be exempt for 20 days after deposit.

Daniel Lang d/b/a/ Dan Lang Construction v. Deanna Dorash A10-747 unpublished

IRA assets that should have been exempt from a judgment levy were not because appellant did not provide proof initially by including the statements.

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Exemptions

Genick Bar-Meir v. North American Die Casting Association

C6-03-331 (2003)

Appellant argued funds were exempt because he received public assistance. Minn. Stat. Sec. 550.37, Subd. 14 also provides, "The burden of establishing the funds are exempt rests upon the debtor." The debtor did not meet the burden of proving the funds were exempt.

Sunde v. Forbair Furniture, Inc. C4-99-1682 (2000)

Minn. Stat. Sec. 550.37, Subd. 22 exempts a debtor's right of action. However, once the right of action is settled, the proceeds of that action are not exempt.

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Exemptions

The Village at Izatys Association v. Jaskowick A09-1030 (2010)

Appellant claimed the funds in his account were exempt because they belonged to his corporation. While the corporation did exist, no evidence was submitted that the appellant had changed his bank account to a corporate account and at the time of the levy it was in an account owned as a sole proprietor. "A corporate asset is not specifically defined as exempt from garnishment in section 550.37" it is well established that the "assets of a corporation cannot be used to satisfy the debts of one individual or stockholder, except in limited circumstances." No evidence to support the account belonged to the corporation.

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Exemptions

Angell v. Angell A09-349 (2009)

The parent's child died during active military service in Iraq. Mother was designated sole beneficiary of military life insurance policy and federal death-gratuity program even though parents were married at the time. Issues were was the property non-marital and was the father entitled to an allocation of non-marital property in the dissolution. Court concluded benefits were a gift to the beneficiary and therefore the beneficiary's non-marital property. The court then determined that state law conflicted with the "authoritatively superior" federal law anti-attachment provisions and prohibited the division in the dissolution.

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