

## **IX. Noncompliance Categories, Penalties, Reinstatement**

### **A. Types of Noncompliance**

1. Type I noncompliance is the most serious of categories of noncompliance as SSA deems them to significantly place SSN Verifications or Written Consents at risk or have resulted in unauthorized disclosure of SSN Verifications or Written Consents and are systemic in nature. Type I noncompliance may consist of one or more of the following:
  - A. Multiple failures to comply with this user agreement requirements determined by SSA to be detrimental to the protection of SSN Verifications or Written Consents;
  - B. Multiple instances of Type II noncompliance examples;
  - C. Fraudulent use of the eCBSV service system's access privileges;
  - D. Other issues determined by SSA to place a significant quantity of SSN Verifications or Written Consents at risk; and/or
  - E. A violation of securely storing Written Consents.
2. Type II noncompliance consists of one or more of the following:
  - A. SSN Verification request submitted to SSA but not authorized by an SSN holder including missing, unsigned, or fraudulently-submitted Written Consents;
  - B. Permitted Entity submitted an SSN Verification request to SSA based on an outdated Written Consent;
  - C. A violation of the retention requirements, including missing Supporting Documentation, in this user agreement; and/or
  - D. Permitted Entity submitted an SSN Verification request to SSA based on a Written Consent related to a purpose outside of the Banking Bill.
3. Type III noncompliance consists of failures that are minor in nature because they would not result in either unauthorized disclosure of SSN Verifications or Written Consents or unauthorized SSN Verification requests being submitted to SSA.

Type III noncompliance may consist of one or more of the following:

- A. Illegible Written Consents;
- B. Permitted Entity submitted an SSN Verification request to SSA based on a Written Consent that did not contain the Permitted Entity's or Financial Institution's address; and/or
- C. Permitted Entity untimely submitted a required audit report to SSA.