

the State parent locator service for use of the Federal Parent Locator Service, is merely a technical change because the language is obsolete and that the change has no substantive effect on the use of the SPLS or FPLS to collect medical support.

*Response:* We agree. The deletion of “or medical support obligations if an agreement is in effect under § 306.2 of this chapter” in § 302.35(c)(1) has no substantive effect on the use of the SPLS or FPLS to collect medical support under the IV–D program. The language was deleted because former Part 306 governing optional cooperative agreements between IV–D and Medicaid agencies is no longer in effect.

2. *Comment:* One commenter requested that in § 302.35(c)(4) the phrase “parental kidnapping or child custody or visitation” cases be used because it is consistent with other sections of the statute and regulations.

*Response:* We agree and have changed the terminology to reflect the order of wording elsewhere in regulations. We are amending paragraph (c)(4) by removing “”, visitation” and adding, “or visitation” after “custody” to conform to changes to section 463(a)(2) of the Act defining persons authorized to access the FPLS for custody or visitation purposes.

3. *Comment:* One commenter suggested that States need more guidance on the role of the SPLS under PRWORA, including the appropriate use of State databases to respond to requests, how to address family violence concerns, and “locate-only” requests in non-IV–D support cases. The commenter indicated that there has been an increase in the number of “locate-only” requests submitted to the SPLS and States have concerns about appropriately verifying and responding to these requests. The commenter suggested that the Secretary provide further guidance to ensure that the vast amount of data now available through the SPLS and FPLS is properly safeguarded.

*Response:* We agree that these issues are very important and we have already issued guidance. In DCL–00–36, dated March 15, 2000, OCSE published a summary list of current statutory citations, regulatory citations, and OCSE policy documents covering authorized requests for FPLS information and information from statewide child support enforcement systems. Key documents include: AT–99–09, dated June 16, 1999, on safeguarding of FPLS information; AT–98–27, dated September 17, 1998 and DCL–98–122, dated November 25, 1998, on the family violence indicator; AT–98–26, dated

August 25, 1998, forwarding final regulations implementing statewide automated systems requirements; PIQ–98–05, dated August 12, 1998, on requests for FPLS information for making or enforcing a child custody or visitation determination; and PIQ–98–02, dated May 18, 1998 on court access to FPLS information. Other important OCSE documents are: The Federal Case Registry Interface Guidance Document, Section 6.7 Request for Locate; and the Automated Systems for Child Support Enforcement: A Guide for States, outlining system certification requirements.

To gather additional information on States’ needs in this area, OCSE convened a work group to review current policy on the locate function and safeguarding of information handled by State IV–D agencies. The group met for 7 months in 2001 and provided very useful guidance to OCSE regarding States’ concerns. We are currently developing proposed regulations on the SPLS and safeguarding of State information in order to address these issues. We are also developing guidance to States on use of the FPLS in non-IV–D child support cases.

In addition to the above, in reviewing § 302.35, we identified an error in wording in paragraph (c)(2), which refers to “any agency” of a court that may request FPLS information. We are making a technical correction to this paragraph by replacing “agency” with “agent” to reflect the statutory language from which this provision is derived.

#### *Provision of Service in Interstate IV–D Cases—§ 302.36*

1. *Comment:* One commenter noted that § 303.7(b)(3) references “Federally-approved interstate forms” and suggested that a provision should be added to § 302.36 to require use of Federally approved interstate forms per section 454(9)(E) of the Act.

*Response:* We do not generally include statutory references in the regulations except where necessary for understanding the requirements. Since § 302.36 requires the State to provide interstate services in accordance with the requirements of § 303.7, and § 303.7 requires use of the Federally-approved interstate forms, we do not believe that an additional reference to the forms requirement is needed in regulation.

#### *Assignment of Rights—§ 302.50*

1. *Comment:* Several commenters suggested we change the title “Assignment of rights” for clarity. One suggested “Obligations with assigned rights” and the other suggested

“Assignment of rights to support obligations”.

*Response:* We agree that “Assignment of rights” is confusing and are revising the title of this section to “Assignment of rights to support” because an individual assigns his or her rights to support, not to the support obligation itself. This language is consistent with language used in the regulation section.

In addition, in reviewing this section, we identified misplaced punctuation. To correct this, we are amending paragraph (b)(2) by replacing “; or” at the end of the paragraph with a period.

#### *Distribution of Support Collections—§ 302.51*

1. *Comment:* A State commenter raised concerns about revisions to procedures for distribution of State tax intercept collections. The State has a high State income tax and realizes significant collections from State tax intercept. Federal and State tax intercept, while having different thresholds for collection, have previously been distributed to satisfy arrearages. OCSE–AT–97–17 indicated that States can decide distribution order where section 457 of the Act is silent.

*Response:* Section 457 of the Act only provides one exception to applying collections first to satisfy the current support obligation. Section 457(a)(2)(B)(iv) of the Act requires that Federal income tax refund offset collections must be applied first to satisfy arrearages. Therefore, there is no discretion in Federal law to allow State income tax refund offset collections to be distributed like Federal income tax refund offsets. To clarify, however, OCSE–AT–97–17 states that States may satisfy different categories of assigned arrearages in any order because section 457 is silent in this regard. It does not allow States to choose whether to apply a collection to arrearages rather than current support.

In reviewing this section, we identified an incorrect citation to section 457 of the Act. To correct it, we are amending § 302.51(a)(3) by inserting “B” in the citation so that it reads “section 457(a)(2)(B)(iv)”.

2. *Comment:* One commenter suggested that we amend the regulation to be consistent with OCSE–AT–97–17, Q & A 41, to allow States to hold future payments until the due date or immediately pay them to the family in former assistance cases.

*Response:* Section 302.51(b), which was formerly § 302.51(c), addresses the distribution or allocation of collections to satisfy future support in current assistance cases and prohibits a State from applying or distributing those