

SUPPORTING STATEMENT

DoD Education Loan Repayment Program

A. JUSTIFICATION

1. Need for Information Collection.

Title 10 USC 2171 (as amended by the National Defense Authorization Act for FY 2006, P.L. 109-163, Section 537), 2173, 16301, and 16302 authorize the Military Services to repay student loans for individuals who agree to enter the military in specific occupational areas for a specified service obligation period (Atch 1). The program was initially authorized to individuals who joined the Reserve Components between the period of October 1, 1980 and October 1, 1981, or the Active Force between December 1, 1980, and October 1, 1981. Another mandatory requirement was selection for a critical skill. The law was made permanent in November 1985 and provides for repayment of eligible student loans for service performed on active duty or as a member of the Reserve Components in a military specialty determined by the Secretary of Defense. Repayment is on a yearly basis and is for a completed year of service at an amount set by law. The legislation requires the Services to verify the status of individual's loan prior to repayment. Therefore, verification data from the individual and the lending institution must be obtained before repayment can be made. This information collection is needed to confirm loan status of military members so that the Department can make repayment to lending institutions.

2. Use of Information.

The purpose of this information collection is to verify data from lending institutions to repay eligible student loans for military personnel who meet specific criteria and who are commissioned or enlist for active military service or enter the Selected Reserves for a specified obligation period. The DD Form 2475, "DoD Educational Loan Repayment Program (LRP) Annual Application," (Atch 2) which is the form associated with this information collection, is utilized by both Active and Reserve Component Service members who may be eligible for repayment of student loans to verify eligibility for and amounts of repayment. Service members who entered active duty under the various Service student loan repayment programs complete their portion of the DD Form 2475 each year indicating the lending institution and account number. Service personnel record custodians verify Service eligibility requirements and forward the DD Form 2475 to the lending institution. The lending institution verifies loan amount and status, and returns the completed form to the member's unit. The information from the DD Form 2475 is used by the Service finance office for disbursement of annual payment to the lending institution.

This information has been used, as authorized by 10 USC 2171, 2173, 16301, and 16302, to verify data from lending institutions to repay student loans for military members who qualify under the Service student loan repayment programs.

3. Improved Information Technology.

The individual Service member, the Service member's unit personnel records custodian, and the lending institution are required to complete and verify sections of the DD Form 2475. The requirement for all three (Service member, unit personnel records custodian, and lending institution) to fill in data and provide a signature verification of their data makes it extremely difficult to completely automate this form. Most challenging would be to have a process that is fully compatible with numerous lending institutions. However, the form is accessible via the internet and sections can be completed before printing for signature. At this time, neither automated signature pads nor electronic signatures are fully deployed throughout DoD. There is no practical or cost effective way to completely implement the requirements of the Government Paperwork Elimination Act with respect to the form.

4. Efforts to Identify Duplication.

Investigation resulted in no findings of duplicate reporting or records. The information collected is not available in any centralized location.

5. Minimizing Burden on Small Business.

The collection does not involve small businesses.

6. Consequences of Not Collecting the Information.

Title 10 USC 2171 (as amended), 2173, 16301, and 16302 require that the existence and amount of student loans be verified annually prior to payment. If collection were stopped, DoD would be unable to verify that valid loans existed and the amount owed to determine annual payments.

7. Special Circumstances.

There are no special circumstances. The data collection will be conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Agency 60-day Federal Register Notice and Consultations.

a. The 60-day notice was published in the Federal Register on December 12, 2005, page 73453-73454 (Atch 3). No comments were received.

b. This information collection was coordinated with officials from the Active and Reserve Military Services.

<u>Name</u>	<u>Service/Organization</u>	<u>Phone Number</u>
Ms. Sylvia Coleman	Army	703-695-7482
Mr. Rich Krimmer	ARNG/USAR	703-693-7489
Mr. Don Bohn	Navy	901-874-9304
MSgt Sandra Thompson	Air Force	210-565-3382

The Marine Corps does not participate in the Loan Repayment Program, so coordination is not required. There were several minor changes to the DD Form 2475. Block 1 was modified to try and eliminate the confusion of where to mail the completed form. Also, section 4 was changed, at the Services' request, to provide greater detail of the loans.

9. Payments to Respondents.

No payments or gifts will be made to respondents.

10. Confidentiality.

All data are protected by the Privacy Act of 1974 and are protected according to the regulations therein and by related DoD directives and instructions.

11. Sensitive Questions.

There are no sensitive questions asked in this information collection.

12. Estimates of Response Burden and Annual Cost to the Respondent.

a. Response Burden for DD Form 2475:

Total annual respondents:	17,500
Frequency of response:	1
Total annual responses:	17,500
Burden per response:	10 Minutes
Total burden hours:	$175,000/60 = 2,917$ hrs

b. Explanation of How Burden was Estimated. The number of annual responses was collected from Service contacts. The burden per response was estimated from discussions with Service members.

c. Labor Cost to Respondents.

Hourly pay of loan certifying official \$15.98 per hour
 $\$15.98 \times (10 \text{ minutes}/60 \text{ minutes/hr}) = \2.66 per form

Cost for 17,500 forms = $\$2.66 \times 17,500 = \$46,550$

13. Estimates of Other Cost Burden for the Respondent for Collection of Information:

a. Total Capital and Start-up Cost: There are no start-up/developmental costs associated with this information collection. Respondents maintain the information for reasons other than to provide information or to keep records for the Government.

b. Total average annual Operations and Maintenance Costs:

There are no operations and maintenance costs associated with this information collection.

14. Estimates of Cost to the Federal Government.

E4-E6 processing Section II of DD Form 2475
estimated hourly pay $\$20.00 \times 4 \text{ minutes} = \1.33 per form
17,500 forms @ $\$1.33 = \$23,275$

15. Changes in Burden.

The estimated number of respondents has decreased by 13,500 (44%) for a decrease of 2,250 burden hours. Decrease in burden hours is due to a projected decrease in the number of new members selecting the Loan Repayment Program caused by other more attractive incentives.

16. Publication Plans/Time Schedule.

There are no plans to publish any of the information collected.

17. Approval Not to Display Expiration Date.

DoD is not seeking an exception to displaying the expiration date of this information collection.

18. Exceptional to the Certification Statement.

No exceptions to the certification statement are being requested.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

Statistical methods are not employed for collection of this information.