

**Section 682.406 and 682.409 – Certification of Electronic Signature on Title IV Loan Program Master Promissory Notes (MPNs) Assigned to the Department**

The proposed regulations would require that upon request schools, lenders, and guarantors would submit an affidavit or certification regarding the creation and maintenance of electronic Master Promissory Notes (MPNs) or promissory notes including the authentication and signature process. Also, the records retention requirement for affected parties would increase from the current requirement of three years after the end of the award year to seven years after all the loans on the MPN are satisfied.

# of borrowers referred for litigation – 2006-2007:

<u>Program Type</u>	<u># of loans</u>	X	<u>% of E-MPNs</u>	=	<u># affected by program</u>
Perkins Loan Program	28		.15		4
FFEL Program	<u>842</u>		<u>.85</u>		<u>716</u>
Total # of Perkins and FFEL Loans Referred for Litigation	870		1.00		720

Burden associated with data collection:

Providing ED with a copy of  
the affidavit or certification .5 hours (30 minutes)

The burden associated with the collection of the original data and its retention, exists under the current rules. There is no increase in burden to retain these loan records until 7 years after the loans are satisfied.

Total burden increase:

# loans referred for litigation	720
amount of burden reduction	<u>X .5 hours (30 minutes)</u>
Total burden hour increase	360 hours

Affected Entity:

	<u># of affected loans</u>	X	<u>% held per affected entity</u>	X	<u>burden per MPN</u>	=	<u>burden increase</u>
FFEL HOLDERS	716		.9		.5		322
GUARANTORS	716		.1		.5		<u>36</u>
							358

[NOTE: Remaining additional burden of 2 hours is attributable to the Institutions.]

Respondents, Responses and Burden Hours:

<u># of Respondents</u>	<u># of Responses</u>	<u># Hrs/Response</u>	=	<u>#Hrs Burden</u>
716	716	.5	=	358

