

Section 685.301 – Maximum Length of a Loan Period

The proposed changes would eliminate the maximum 12-month loan period for annual loan limits in the Direct Loan program thus allowing institutions to certify a single loan for student in shorter non-term or nonstandard term programs or when the loan period is longer than 12 months. As a result, these changes will decrease burden for schools and lenders.

of borrowers in the Direct Loan program in 2007-2008:

Loan Type	# of loans
Subsidized	1,503,000
Unsubsidized	1,094,000
PLUS	242,000
Total	2,839,000
% of affected loans	<u>.10</u>
# of affected loans	283,900

Amount of time to certify and disburse loan	<u>X</u> .5 hours (30 minutes)
Decrease in burden	141,950

Affected Entities:

	burden hours	X	% affected	=	Total burden
reduction					
INSTITUTIONS:	141,950		.5		70,975
LENDERS:	141,950		.5		<u>70,975</u>

141,950

Respondents, Responses and Burden Hours:

# of Respondents	# of Responses	# Hrs/Response	#Hrs Burden
8,767	283,900	.5	= -141,950