

**Sections 674.19 and 674.50 – Certification of Electronic Signatures on Loan MPNs assigned to the Department**

The proposed regulations would require that upon request schools 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					
4		28	.15		
FFEL Program	<u>842</u>		<u>.85</u>		<u>716</u>
Total # of Perkins Loans 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</u>		(30 minutes)	
Total burden hour increase	360 hours			

Affected Entity:

	<u># of affected loans</u>	X	<u>burden per MPN</u>	=	<u>increase in burden hours</u>
INSTITUTIONS	4		.5		2

[NOTE: The remaining additional burden of 358 hours is attributable to FFEL lenders and guarantors found in OMB 1845-0020.]

Respondents, Responses and Burden Hours:

<u># of Respondents</u>	<u># of Responses</u>	<u># Hrs/Response</u>	<u>#Hrs Burden</u>
-------------------------	-----------------------	-----------------------	--------------------

$$4 \quad 4 \quad .5 \quad = \quad 2$$