

SUPPORTING STATEMENT

LENDER'S REQUEST FOR PAYMENT OF INTEREST AND SPECIAL ALLOWANCE - LARS ED FORM 799

1. The Department of Education (ED) is submitting the ED Form 799 for approval.

The information collected on the ED Form 799 is needed to pay interest and special allowance to holders of Part B loans, for internal financial reporting, budgetary projections, and for audit and lender reviews by ED, General Accounting Office (GAO) and Department of Treasury.

The legal authority for collecting this information is Title IV, Part B of the Higher Education Act of 1965, as amended by the Higher Education Reconciliation Act of 2005 ("the HERA"), (Pub.L. 109-171). ED is requesting the continual approval for regulatory sections 682.304, 682.414 and 682.515.

2. The ED Form 799 is used by lenders participating in the Part B programs to request payment of interest and special allowance on loans outstanding. It is forwarded to each lender four times a year -- March, June, September and December.

The information on the ED Form 799 is also used by ED to capture detailed information to enhance departmental reporting for budgetary projections, program planning and evaluations, departmental audits, and financial and statistical reporting on Part B programs.

If the information is not collected, ED is unable to make payments to lenders for interest and special allowance, nor provide a comprehensive, analytical analysis on lenders and their portfolio of loans.

3. The data is submitted to the Financial Management System (FMS) via on-line data entry or file transfer process (FTP).
4. This information is currently being captured by the National Student Loan Data System (NSLDS). At this time NSLDS only monitors the billings received for reasonability and is unable to pay subsidies and interest to lenders.

On April 30, 2007, FSA met with OMB to discuss progress made on addressing the 10/23/2006 Terms of Clearance (*Within six months of OMB approval, Education will brief OMB on: 1) efforts to eliminate duplication in its data collection efforts for Federal Student Aid programs; and 2) efforts to capture loan-level data.* During the April meeting, FSA explained the LaRS data collection and how it relates to NSLDS. FSA has addressed the terms and since then FSA has conducted two focus groups with the FFEL community to discuss the FFEL business process and data standardization improvements (internal and external). Discussions included: common definitions across the FFEL community, and the possibility of using reporting mechanisms already in place within the FFEL community.

The FFEL Business Process and Data Standardization Project will kick-off the last week in September 2007. The project has two primary phases: 1) Over 2-3 months meet internally with stakeholders to define "to-be" business process for collecting data from external FFEL Partners for FSA's target state vision and define draft data element standards for the future that internal system owners can agree to 2) Over 4-5 months work with external community to develop the industry standards for FFEL data exchange to be implemented with future reengineering/enhancing of systems such as NSLDS, Borrower Services systems and FMS.

5. Collection of this information does not involve small business.
6. If the collection of this information were conducted less frequently, it would delay payments to lenders mandated by statute.

7. The collection of this information will be conducted in accordance with the guidelines in 5 CFR 1320.5
8. No consultation was made with outside organizations regarding the ED Form 799 because there were no changes to the form. The 60-day notice for this collection was published on July 25 – September 24, 2007 and no public comment has been received.
9. ED does not provide any payment or gift to respondents.
10. No assurance of confidentiality has been provided to respondents. The information collected here is available to the public as provided under the Privacy Act and the Freedom of Information Act.
11. There are no questions of a sensitive or private nature in this information collection activity.
12. The total annual burden has been determined to be approximately 31,200 hours. This was determined by multiplying the estimated number of annual respondents (3,200) times the number of responses per respondent (4) times the amount of time (3.75) needed to collect, complete, review and submit the information.

Respondents	3,200
Responses	x4
Total Annual Responses	12,800
Hours per Responses	x2
Total Burden Hours	25,600
Recordkeepers	3200
Hours per Recordkeeper	x1.75
Total Hours	5,600
TOTAL ANNUAL BURDEN HOURS	31,200

The estimated cost to the public will be approximately \$216,000.00. This was determined by multiplying the estimated number of respondents (3,200) times the amount of time it takes to collect, complete, review, submit and maintain the forms (3.75), times an average hourly wage of \$18.00 per hour.

13. There is no additional annual cost burden to respondents or record keepers resulting from the collection of information.
14. A ED contractor will process this form. It is estimated that the annual operating cost of the computer system to the Federal Government will be \$351,957. The cost estimate was done by linking system activity to a percentage of the general ledger lines. The percentage was used to determine the estimated cost. The estimated cost is based on the FY06 Operations Software license and security cost for FMS.
15. There is no change in burden.
16. ED does not plan to publish for statistical use the results of the information to be collected. Management reports, however, will be prepared.
17. The expiration date for OMB approval of the information collection will be displayed.
18. The collection of information complies with 5CFR 1320.9.

B. Collections of Information Employing Statistical Methods

None

