

# **Supporting Statement**

## **Information Collection for 1845-0059**

### **Federal Family Education Loan Program and William D. Ford Federal Direct Loan Program Teacher Loan Forgiveness Forms**

#### **A. Justification**

##### **1. Necessity of Information Collection**

Sections 428J and 460 of the Higher Education Act of 1965, as amended (HEA) provide for teacher loan forgiveness in the Federal Family Education Loan (FFEL) Program and the William D. Ford Federal Direct Loan (Direct Loan) Program. The FFEL and Direct Loan program regulations require borrowers to provide their loan holders with documentation establishing their eligibility for teacher loan forgiveness and for teacher loan forgiveness forbearance.

##### **2. Purpose and Use of Information Collected**

The Teacher Loan Forgiveness Application included in this submission will be used by loan holders to collect information needed to determine whether borrowers are eligible for teacher loan forgiveness based on their teaching service.

Borrowers can apply for teacher loan forgiveness by completing the application and returning it to their loan holder. Borrowers must also have the Chief Administrative Officer of their school complete Section 3 of the application.

The Teacher Loan Forgiveness Forbearance Form included in this submission will be used by loan holders to collect information needed to determine that borrowers are eligible for forbearance on their outstanding federal student loans during the period when they are performing their qualifying teaching service.

Borrowers can apply for teacher loan forbearance by completing the form and returning it to their loan holder. This form is self-certifying. Borrowers may obtain the Teacher Loan Forgiveness Forbearance Form by contacting their loan holder. In some cases, borrowers may obtain the Teacher Loan Forgiveness Forbearance Form by downloading it from their loan holders' web sites.

The U.S. Department of Education (ED) is requesting a revision of the currently approved collection. ED has proposed a number of changes to the format and language of the current forms in order to present information more clearly to borrowers. There are no changes to any of the data elements on the forms, with the exception of some modifications to the information requested in Section 2 of the Teacher Loan Forgiveness Application and the Teacher Loan Forgiveness Forbearance Request. The currently approved versions of these forms do not allow ED to distinguish between teacher loan forgiveness applicants who are highly qualified special education teachers in elementary schools vs. those who teach in secondary schools. Similarly, the current forms do not allow ED to distinguish between highly qualified mathematics teachers in secondary schools vs. highly qualified science teachers. The current forms identify only borrowers who teach in “elementary or secondary” schools, or who teach “mathematics or science.”

ED has frequently been asked for information on the types of teachers who are receiving loan forgiveness, based on whether they teach at the elementary or secondary level, or teach math or

science. Because the current teacher loan forgiveness application does not distinguish between these categories, ED's ability to report detailed information about teacher loan forgiveness recipients has been limited. To address this issue, ED has revised Section 2 of the Teacher Loan Forgiveness Application to distinguish between the categories described above. For consistency, ED has made the same changes in Section 2 of the Teacher Loan Forgiveness Forbearance request. In addition, ED has modified its National Student Loan Data System (NSLDS) to capture the specific categories of teaching service that will be collected on the revised Teacher Loan Forgiveness Application.

The changes that ED is making in Section 2 impose no additional burden on borrowers who complete the Teacher Loan Forgiveness Application or Teacher Loan Forgiveness Forbearance Request. Borrowers check only one box on the current forms, and they will continue to check only one box on the revised forms.

### **3. Consideration of Improved Information Technology**

Since the Teacher Loan Forgiveness Application requires a borrower's signature and as signed certification from the chief administrative officer of the borrower's school, the United States Postal Service currently provides the only feasible means for borrowers to return completed applications to their loan holders.

However, the Teacher Loan Forgiveness Forbearance Form requires only the borrower's signature. Therefore, loan holders may allow borrowers to submit the forbearance form electronically.

### **4. Efforts to Identify Duplication**

There is no information available from other sources that can be used for the purpose described in Item 2 of this supporting document.

### **5. Burden Minimization as Applied to Small Business**

No small businesses are affected by this information collection.

### **6. Consequences of Less Frequent Data Collection**

The data must be collected to determine a borrower's eligible for teacher loan forgiveness. Without the collection of this data, a borrower could not receive the benefit of loan forgiveness.

The regulations in 34 CFR Parts 682 and 685 require borrowers to apply for loan forgiveness from their loan holder. Therefore, a borrower may be required to complete a Teacher Loan Forgiveness Application more than once if the borrower has multiple loan holders.

The regulations also allow borrowers to apply annually for forbearance from their loan holder if the loan forgiveness amount for which they are eligible will satisfy the anticipated outstanding balance on their loans upon completion of their qualifying teaching service. If a borrower has multiple loan holders, the borrower may be required to complete a Teacher Loan Forgiveness Forbearance Form more than once a year.

### **7. Special Circumstances Governing Data Collection**

This information collection does not involve any of the conditions listed in 5 CFR 1320.5(d)(2).

### **8. Consultations outside the Agency**

ED developed the revised forms included with this submission with the assistance of the Federal Family Education Loan Program participants. In addition, ED solicited public comments on the revised forms in a notice that was published in the Federal Register on November 30, 2007. In response to that notice, ED received comments on the forms from the National Council of Higher Education Loan Programs (NCHELP) Program Operations Committee, which represents FFEL Program participants. ED received no other public comments. ED has made several changes to the forms in response to the comments submitted by the NCHELP Program Operations Committee. These comments and ED's responses (including ED's reasons for not accepting some of the recommended changes) are included with this submission.

**9. Payments or Gifts to Respondents**

No payments or gifts will be provided to the respondents.

**10. Assurance of Confidentiality**

These teacher loan forgiveness forms include a Privacy Act Disclosure Notice which (1) informs the borrower of the statutory authority for collecting the information; (2) explains that the disclosure of the information is voluntary, but that it is required in order for the borrower to be considered for the forgiveness; and (3) identifies the third parties to whom the information may be disclosed and explains the circumstances under which such disclosures may occur.

**11. Questions of a Sensitive Nature**

These teacher loan forgiveness forms do not contain any sensitive questions.

**12. Annual Hour Burden for Respondents/Recordkeepers**

The total estimated annual reporting burden hours for this information collection are approximately 2,871 hours (2,640 for the application and 231 for the forbearance form) for the FFEL Program and the Direct Loan Program. The burden estimate was calculated as follows:

**Teacher Loan Forgiveness Application**

Estimated annual number of respondents:	8,000
Number of responses per borrower:	x 1
Hours per response:	<u>x .33 (20 minutes)</u>
Annual hour burden:	2,640 hours

**Teacher Loan Forgiveness Forbearance Form**

Estimated annual number of respondents:	700
Number of responses per borrower:	x 1
Hours per response:	<u>x .33 (20 minutes)</u>
Annual hour burden:	231 hours

**13. Estimated Annual Cost Burden for Respondents/Recordkeepers**

There are no capital/startup costs to respondents, nor are there any annual costs to respondents associated with operating or maintaining systems or purchasing services.

The total estimated annual cost burden to respondents is \$340,664.00. This represents the total of the annual cost estimates for loan forgiveness application and forbearance request. The cost estimate for each form was calculated as follows:

Loan Forgiveness Application

Respondents	8,000
Responses	x 1
Postage cost per response	x \$.41
Annual cost burden	<u>\$3,280.00</u>

Forbearance Request

Respondents	700
Responses	x 1
Postage cost per response	x \$.41
Annual cost burden	<u>\$287.00</u>

**14. Estimated Annual Cost to Federal Government**

The cost to the federal government is minimal for the use of the teacher loan forgiveness forms in the FFEL Program, because FFEL Program lenders will distribute the applications, collect the information, and process Teacher Loan Forgiveness Application for FFEL Program borrowers.

For the Direct Loan Program, the total estimated annual cost to the Federal Government for this information collection is \$49,047. This includes the following:

Printing the applications:	\$ 54
Mailing the applications:	\$ 987
Processing the applications:	\$ 48,006
Total:	\$ 49,047

The \$49,047 estimate for processing represents contractor salaries and other processing costs incurred by the Direct Loan Program's contractor.

**15. Reason for Changes to Annual Reporting/Recordkeeping Hour Burden and Annual Reporting/Recordkeeping Cost Burden to Respondents**

ED is reporting an upward adjustment of 91 hours to the Annual Reporting/Recordkeeping Hour Burden. This increase is due to an error in calculating the burden hours for the forbearance request form in the previous submission.

**16. Collection of Information with Published Results**

The results of this collection will not be published.

**17. Approval Not to Display Expiration Date**

ED is not seeking this approval.

**18. Exceptions to the Certification Statement**

ED is not requesting any exceptions to the "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-I.

**B. Collection of Information Employing Statistical Methods**

This information collection does not employ statistical methods.