

Health Professions Student Loan (HPSL) Program And Nursing Student Loan (NSL) Program
Administrative Requirements (Regulations and Policy)
Supporting Statement

A. Justification

1. Circumstances of Information Collection

This is a request for approval for an **extension without change** of the information collections approved under OMB No. 0915-0047 for the administrative regulatory requirements under the Health Professions Student Loan (HPSL) Program and the Nursing Student Loan (NSL) Program. The expiration date for the current approval is 10/31/08 and **no changes** have been made to the regulatory requirements.

The HPSL program, authorized by sections 721-735 of the Public Health Service (PHS) Act (42 USC 292q-292y), provides long-term, low-interest loans to students attending schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatric medicine, and pharmacy. The NSL Program, authorized by sections 835-842 of the PHS Act (42 USC 297a-i), provides long-term, low-interest loans to students who attend eligible schools of nursing in programs leading to a diploma in nursing, an associate degree, a baccalaureate degree, or a graduate degree in nursing. Participating HPSL and NSL schools are responsible for determining eligibility of applicants, making loans, and collecting monies owed by borrowers on their outstanding loans. Schools are required to: (1) invest their HPSL and NSL funds and return earnings from the investments to the HPSL and NSL funds; (2) identify and return to the Department excess cash from the HPSL and NSL funds; and (3) determine the ability to collect of defaulted loans and, for loans determined to be uncollectible, either obtain approval to write off the loans or reimburse the fund for the amount that remains uncollected on the loans. The governing regulations for the HPSL program are §§ 57.201-57.218 and the NSL program are §§ 57.301-57.318.

Approval is requested for the following information collections and regulatory requirements.

RECORDKEEPING REQUIREMENTS

§ 57.206(b)(2) and 57.306(b)(2)(ii), Documentation of Cost of Attendance - In the selection of qualified applicants, the school must document criteria used for determining reasonable costs necessary for the student's attendance at the school.

§ 57.208(a) and 57.308(a), Promissory Note - Each HPSL or NSL loan must be evidenced by a properly executed promissory note in a form approved by the Secretary, and the school must safeguard the note against fire, theft, and tampering.

§ 57.210(b)(1)(i) and 57.310(b)(1)(i), Documentation of Entrance Interview - The school must conduct and document the entrance interview with the borrower prior to disbursing HPSL/NSL funds, to inform him/her of the rights and responsibilities associated with receiving the funds.

§ 57.210(b)(1)(ii) and 57.310(b)(1)(ii), Documentation of Exit Interview - The school must conduct and document the exit interview with the borrower, or if borrower terminates studies without advance notice, the school must document attempts to inform the borrower of the substance of the exit interview and to secure required information from the borrower by mail.

§ 57.215(a) & (d) and 57.315(a)(1) & (a)(4), Program Records - The school must maintain records relating to the operation of its HPSL or NSL funds.

§ 57.215(b) and 57.315(a)(2), Student Records - Approved student applications, documentation of financial need records, and copies of financial aid transcripts must be retained by the school for 5 years after a student ceases to be a full-time student.

§ 57.215(c) and 57.315(a)(3), Repayment Records - Repayment records for each borrower must be retained for at least 5 years from the date of retirement of a loan.

REPORTING REQUIREMENTS

§ 57.206(a)(2) and 57.306(a)(2), Student Financial Aid Transcript (Disclosure) - An applicant who has previously attended an institution of higher education must submit a financial aid transcript.

§ 57.208(c), Loan Disclosure Requirements (Disclosure) - The school must disclose loan information to students who receive HPSL loans at the onset of their studies and prior to the completion or termination of their studies.

§ 57.210(b)(1)(i) and 57.310(b)(1)(i), Entrance Interview (Disclosure) - The school must conduct the entrance interview with the borrower prior to disbursing HPSL/NSL funds, to inform him/her of the rights and responsibilities associated with receiving the funds.

§ 57.210(b)(1)(ii) and 57.310(b)(1)(ii), Exit Interview (Disclosure) - The school must conduct the exit interview with the borrower, or if borrower terminates studies without advance notice, the school must attempt to inform the borrower of the substance of the exit interview and to secure required information from the borrower by mail.

§ 57.210(b)(1)(iii) and 57.310(b)(1)(iii), Notification of Repayment (Notification) - The school must notify the borrower in writing of the impending repayment obligation at least twice during the grace period.

§ 57.210(b)(1)(iv) and 57.310(b)(1)(iv) - Notification during Deferment (Notification) - The school must notify the borrower in deferment status in writing of the impending repayment obligation 1 to 3 months prior to the expiration of the approved period of deferment.

§ 57.210(b)(1)(vi) and 57.310(b)(1)(vi) - Notification of Delinquent Accounts (Notification) - The school must make at least four attempts to contact the borrower regarding past due payments, prior to the loan becoming 120 days past due.

§ 57.210(b)(1)(x) and 57.310(b)(1)(x) - Credit Bureau Notification (*Notification*) - The school must become a member of a credit bureau and notify the credit bureau of accounts past due by more than 120 days.

§ 57.210(b)(4)(i) and 57.310(b)(4)(i), Write-off of Uncollectible Loans (*Reporting*) - If a school wishes to request the Department's approval to write off an uncollectible loan, it must do so within 30 days of determining that the loan is uncollectible.

§ 57.211(a) and 57.311(a), Disability Cancellation (*Reporting*) - The Secretary will cancel a student borrower's indebtedness if found to be permanently and totally disabled, on recommendation of the school and as supported by whatever medical certification the Secretary may require.

§ 57.312(a)(3), Evidence of Educational Loans (*Disclosure*) - Borrowers must provide evidence of loans for which they are requesting partial payment for service in a health professional shortage area. Under this regulatory section, there have been no repayment activities reportable for NSL since 1982 when the provision was phased out due to lack of Federal funding.

§ 57.215(a)(2) and § 57.315(a)(1)(ii), Administrative Hearings (*Reporting*) - A school which fails to comply with reporting requirements relating to the operation of its program, and is therefore subject to termination, may submit a request for formal hearing which contains a statement of material, factual issues in dispute.

§ 57.216a(d) and 57.316a(d), Administrative Hearings (*Reporting*) - A school which fails to comply with requirements to reduce its default rates may submit a request for formal hearing which contains a statement of material, factual issues in dispute.

2. Purpose and Use of Information

These information collections and record keeping requirements are essential for assuring that borrowers are fully informed of the terms and conditions of their loans and are aware of their rights and responsibilities, and that schools know the history and status of each loan account, that they pursue aggressive collection efforts, and maintain adequate records for audit and assessment purposes. The reporting and recordkeeping requirements are to ensure compliance with the authorizing legislation. Schools must maintain adequate records of loan accounts for audit and assessment purposes, and pursue aggressive collection efforts to reduce default rates.

3. Use of Improved Information Technology

Schools use automated systems and may select whatever information technology they have available to maintain all records associated with the regulations.

4. Efforts to Identify Duplication

The information requested is unique to the HPSL and NSL program requirements. These requirements will not result in duplication of reporting since schools would not be reporting this kind of information elsewhere.

5. Involvement of Small Entities

This activity does not involve small businesses or other small entities.

6. Consequences If Information Collected Less Frequently

The information is collected at specified critical intervals of the program and, consequently, could not be collected less frequently without detriment to the success of the program and the financial interest of the Federal Government.

7. Consistency With the Guidelines in 5 CFR 1320.5(d)(2)

Under P.L. 103-43 the HPSL statute allows for a 10-25 year repayment period at the discretion of the institution (see Sec 134 General Provisions (a)(3)(B)), excluding periods of student status and eligible deferment activities. As a result, student records and repayment records that are part of the loan collections process must be retained for the appropriate repayment period. In addition, the regulations require that student repayment records be retained for 5 years after repayment of the loan.

8. Consultation Outside the Agency

The notice required by 5 CFR 1320.8(d) was published in the *Federal Register* on July 23, 2008 (73 FR 42582-42583). No comments were received.

The following HPSL and NSL schools were contacted by program staff regarding various aspects of the HPSL and NSL programs. They report no problems and there are no unresolved issues.

Health Professions Student Loan Contacts

1. Ann Wilson
Bursars Office
University of Oklahoma Health Sciences Center
P.O. Box 26901
Oklahoma City, Oklahoma 73190
(405) 271-2680

2. Nancy Martorano
Director of Financial Aid
Philadelphia College of Osteopathic Medicine

School of Osteopathy
4170 City Avenue
Philadelphia, Pennsylvania 19131
(215) 871-6173

Nursing Student Loan Contacts

1. Ann Wilson
Bursars Office
University of Oklahoma Health Sciences Center
P.O. Box 26901
Oklahoma City, Oklahoma 73190
(405) 271-2680

2. Stacey Mathews
Director of Financial Operations
Student Loan Office
University of Mississippi
Medical Center
2500 North State Street
Jackson, Mississippi 39216-4505
(601) 984-1035

9. Remuneration of Respondents

Respondents will not be remunerated.

10. Assurance of Confidentiality

Several records systems were established for the HPSL and NSL Programs, which cover the kinds of records maintained by the schools under these regulations. The system numbers are 09-15-0038, and 09-15-0039.

11. Questions of a Sensitive Nature

There are no questions of a sensitive nature.

12. Estimates of Annualized Hour Burden

The reporting and recordkeeping burden is as follows:

RECORDKEEPING REQUIREMENTS

Regulatory/section requirements	Number of Record keepers	Hours per year	Total Burden Hours
HPSL Program:			
57.206(b)(2), Documentation of Cost of Attendance	432	1.17	505
57.208(a), Promissory Note	432	1.25	540
57.210(b)(1)(i), Documentation of Entrance Interview	432	1.25	540
57.210(b)(1)(ii), Documentation of Exit Interview	*472	0.33	156
57.215(a)&(d), Program Records	*472	10	4,720
57.215(b), Student Records	*472	10	4,720
57.215(c), Repayment Records	*472	18.75	8,850
HPSL Subtotal	472	.....	20,031

Regulatory/section requirements	Number of Record keepers	Hours per year	Total Burden Hours
NSL Program:			
57.306(b)(2)(ii), Documentation of Cost of Attendance	300	0.3	90
57.308(a), Promissory Note	300	0.5	150
57.310(b)(1)(i), Documentation of Entrance Interview	300	0.5	150
57.310(b)(1)(ii), Documentation of Exit Interview	*435	0.17	74
57.315(a)(1)&(a)(4), Program Records	*435	5	2,175
57.315(a)(2), Student Records	*435	1	435
57.315(a)(3), Repayment Records	*435	2.51	1,092
NSL Subtotal	435	.....	4,166
Total for HPSL and NSL	907	.....	24,197

*Includes active and closing schools.

HPSL data includes active and closing Loans for Disadvantaged Students (LDS) program schools.

REPORTING REQUIREMENTS

Regulatory/section requirements	Number of Respondents	Responses per Respondent	Total annual responses	Hours per response	Total hour burden
HPSL Program:					
57.206(a)(2), Student Financial Aid Transcript	4,600	1	4,600	.25	1,150
57.208(c), Loan Information Disclosure	432	68.73	29,692	.0833	2,473
57.210(b)(1)(i), Entrance Interview	432	68.73	29,692	0.167	4,959
57.210(b)(1)(ii), Exit Interview	*472	12	5,664	0.5	2,832
57.210(b)(1)(iii), Notification of Repayment	*472	30.83	14,552	0.167	2,430
57.210(b)(1)(iv), Notification During Deferment	*472	24.32	11,479	0.0833	957
57.210(b)(1)(vi), Notification of Delinquent Accounts	*472	10.28	4,853	0.167	811
57.210(b)(1)(x), Credit Bureau Notification	*472	8.03	3,790	0.6	2,274
57.210(b)(4)(i), Write-off of Uncollectible Loans	20	1.00	20	3.0	60
57.211(a) Disability Cancellation	10	1	10	.75	8
57.215(a)(2), Administrative Hearings	0	0	0	0	0
57.215(a)(d), Administrative Hearings	0	0	0	0	0
HPSL Subtotal	7,854	.....	104,352	.....	17,954

REPORTING REQUIREMENTS Continued

Regulatory/section requirements	Number of Respondents	Responses per Respondent	Total annual responses	Hours per response	Total hour burden
NSL Program:					
57.306(a)(2), Student Financial Aid Transcript	4,100	1	4,100	0.25	1,025
57.310(b)(1)(i), Entrance Interview	300	23.51	7,053	0.167	1,178
57.310(b)(1)(ii), Exit Interview	*435	3.77	1,640	0.5	820
57.301(b)(1)(iii), Notification of Repayment	*435	6.18	2,688	0.167	449
57.310(b)(1)(iv), Notification During Deferment	*435	0.65	283	0.083	24
57.310(b)(1)(vi), Notification of Delinquent Accounts	*435	4.61	2,006	0.167	335
57.310(b)(1)(x), Credit Bureau Notification	*435	8.3	3,611	0.6	2,167
57.310(b)(4)(i), Write-off of Uncollectible Loans	20	1.0	20	3.5	70
57.311(a), Disability Cancellation	10	1.0	10	0.8	8
57.315(a)(1)(ii), Administrative Hearings	0	0	0	0	0
57.316(a)(d), Administrative Hearings	0	0	0	0	0
NSL Subtotal	6,605	.....	21,411	.....	6,076
Total for HPSL and NSL	14,459	.....	125,763	.....	24,030
Total Burden Hours for HPSL and NSL for Reporting and Recordkeeping					48,227

*Includes active and closing schools.

RECORDKEEPING REQUIREMENTS Basis for Burden:

The estimates of burden for the schools are for the maintenance of required records on the history and status for each loan account.

The total burden for the HPSL and NSL schools is **48,227 hrs.**

13. Estimates of Annualized Cost Burden to Respondents

There are no maintenance or operating costs. Respondents maintain the required information for their own purposes and the reports are generated automatically. The computers used to generate the reports have been acquired for usual and customary school operations.

14. Estimates of Annualized Cost to the Government

The total cost to the Federal Government to perform the review of requests for cancellation is \$7,240.

Disability Cancellations (.1 FTE @ \$72,400 = \$7,240)

15. Changes in Burden

There are currently 52,690 hours in the inventory for the HPSL/NSL regulatory requirements. This submission is for approval of 48,227 total burden hours, for a decrease of 4,463 hours.

The decrease in the estimate of burden hours is due to a decrease in the number of participating schools since the last approval. The overall result is a program adjustment with a decrease of 4,463 hours in the annual estimate of burden.

16. Time Schedule, Publication and Analysis Plans

There are no plans for tabulation, statistical analysis or publication of the information maintained by the schools.

17. Exemption for Display of Expiration Date

No exemption is being requested.

18. Certifications

This information fully complies with the guidelines in 5 CFR 1320.9. The certifications are included in this package.