

SUPPORTING STATEMENT

Information Collection William D. Ford Federal Direct Loan Program Deferment Request Forms (OMB No. 1845-0011)

A. Justification

1. Necessity of Information Collected

The Higher Education Act of 1965, as amended (the HEA) established the William D. Ford Federal Direct Loan (Direct Loan) Program under Title IV, Part D. Section 455(a)(1) of the HEA provides that unless otherwise specified, Direct Loan Program loans are subject to the same terms and conditions as loans made under the Federal Family Education Loan (FFEL) Program. Sections 428(b)(1)(M) and 428B(d)(1) of the HEA provide that FFEL Program borrowers who meet certain eligibility requirements may temporarily defer (postpone) repayment of their loans. In accordance with §455(a)(1), these same deferment options are available to Direct Loan Program borrowers.

With the exception of in-school deferments (see Item 3 below), the Direct Loan Program regulations at 34 CFR 685.204 require a borrower to request a deferment from the U.S. Department of Education (the Department) and, in most cases, to provide additional information or a certification from a third party that establishes the borrower's eligibility for the deferment.

This collection includes seven separate deferment request forms that serve as the means by which a borrower requests a deferment and provides the necessary information and/or certifications to establish his or her eligibility for the deferment. The seven deferment request forms are:

1. **Temporary Total Disability Deferment Request** (used by borrowers to request a deferment while they are temporarily totally disabled or caring for a spouse or dependent who is disabled)
2. **In-School Deferment Request** (used by borrowers to request a deferment while they are enrolled at least half time at an eligible institution, and by certain parent Direct PLUS Loan borrowers to request a deferment while the student for whom they obtained a Direct PLUS Loan is enrolled at least half time)
3. **Education Related Deferment Request** (used by borrowers to request a deferment while they are engaged in a graduate fellowship program, rehabilitation training program, or internship/residency program, and also by certain parent Direct PLUS Loan borrowers to request a deferment based on a dependent student's enrollment in school or participation in a rehabilitation training program)
4. **Parental Leave/Working Mother Deferment Request** (used by borrowers to request a deferment while they are on parental leave or are working mothers)
5. **Economic Hardship Deferment Request** (used by borrowers to request a deferment while they are experiencing an economic hardship)

6. **Public Service Deferment Request** (used by borrowers to request a deferment while they are performing certain types of public service)

7. **Unemployment Deferment Request** (used by borrowers to request a deferment while they are seeking but unable to find employment)

NOTE: Some of the deferments listed above are available only to borrowers who, at the time they received their first Direct Loan Program loan, had an outstanding balance on a FFEL Program loan that was made before July 1, 1993. This restriction is explained on the applicable deferment request forms included with this submission.

The Department is requesting a revision of the currently approved collection. We are amending the current forms to reflect changes to the terms and conditions of certain deferments that were made by the Higher Education Opportunity Act (Public Law 110-315) and final regulations issued by the Department on October 23, 2008 (73 FR 63232). The Department is also making minor formatting and wording changes on the deferment request forms for greater consistency and clarity.

2. Purpose and Use of Information Collected

The currently approved deferment request forms are used by borrowers to request deferments on their loans, and they also collect the information that is required for the Department to determine whether the borrower meets the eligibility requirements for the requested deferment. The revised deferment request forms will continue to be used for these purposes.

3. Consideration of Improved Information Technology

This collection of information does not involve the use of technological processes such as electronic submission of requests. Except for certain borrowers requesting unemployment deferments who may qualify for the deferment based on a self-certification that they have registered with an employment agency, borrowers must either submit supporting documentation to establish their eligibility for a deferment or have a third party (such as a school official) certify their eligibility for the deferment. As a result, electronic submission of most deferment requests is not feasible at this time. However, the Direct Loan Servicing Center's web site allows Direct Loan borrowers to partially complete deferment request forms online (by providing all requested information except for any required supporting documentation or third party certifications) and then print the forms with the information that has been entered.

Although in most cases a borrower must submit a deferment request with the appropriate documentation to the Department, the Department may grant an in-school deferment without a request from the borrower based on information that the Department obtains from other sources confirming that the borrower is enrolled at least half time at an eligible institution. This reduces burden on borrowers. In such cases, the Department notifies the borrower that the deferment has been granted and provides the borrower with the option of canceling the deferment and continuing to make payments on his or her loan.

Some borrowers may qualify for an unemployment deferment based solely on a self-certification that they have registered with an employment agency. These borrowers may submit their

deferment request through the Direct Loan Servicing Center’s web site by using an electronic signature. Approximately 18 percent of all unemployment deferment requests are submitted electronically. This represents approximately 1.14 percent of the total number of deferment requests.

4. Efforts to Identify Duplication

With the exception of the in-school deferment (see Item 3), there is no information already available from other sources that can be used to establish a borrower’s eligibility for a deferment.

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 frequency with which a borrower must request a deferment is determined in accordance with statutory and regulatory requirements that are explained on each deferment request form. Less frequent data collection would not allow loan holders to process borrower requests for deferment.

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

The loan deferment request forms included with this submission were originally developed with input from schools that participated in the first year of the Direct Loan Program. In developing the revised forms included with this submission, the Department considered recommendations from the Direct Loan Servicing Center.

A notice was published in the Federal Register on December 11, 2008 (73 FR 75404) soliciting public comments on the revised deferment request forms. No comments were received during the 60-day public comment period. However, the Department’s Direct Loan Servicing Center staff made several recommendations for changes that they believed would make the forms easier for borrowers to understand. In response to these recommendations, the Department has made a number of changes to the In-School Deferment Request, the Education Related Deferment Request, and the Economic Hardship Deferment Request.

9. Payments or Gifts to Respondents

No payments or gifts will be provided to respondents.

10. Assurance of Confidentiality

Each deferment request form includes a Privacy Act Notice that (1) informs the borrower of the statutory authority for the information collection, (2) explains that providing the requested information is voluntary, but is required in order to be granted a deferment, and (3) identifies the

third parties to whom the information collected on the form may be disclosed, and explains the circumstances under which such disclosures may occur.

11. Questions of a Sensitive Nature

The Temporary Total Disability Deferment Request asks for information about the borrower’s medical condition, and the Economic Hardship Deferment Request asks for income information. This information may be considered sensitive by some individuals, but it is needed to establish the borrower’s eligibility for the deferment. The deferment forms do not otherwise request any sensitive information.

12. Annual Hour Burden for Respondents/Recordkeepers

The Department estimates the total annual number of respondents for this collection to be 737,209. The estimated response time for each of the eight deferment forms is 0.16 hours (10 minutes), with one response per respondent. This equates to a total estimated reporting burden of 117,953 hours. The burden estimate for each form was calculated as follows:

Economic Hardship Deferment Request

Estimated annual number of respondents:	184,184
Number of responses per respondent:	x 1
Hours per response:	x 0.16
Annual hour burden:	29,469

Education Related Deferment Request

Estimated annual number of respondents:	8,704
Number of responses per respondent:	x 1
Hours per response:	x 0.16
Annual hour burden:	1,393

In-School Deferment Request

Estimated annual number of respondents:	492,927
Number of responses per respondent:	x 1
Hours per response:	x 0.16
Annual hour burden:	78,868

Parental Leave/Working Mother Deferment Request

Estimated annual number of respondents:	48
Number of responses per respondent:	x 1
Hours per response:	x 0.16
Annual hour burden:	8

Public Service Deferment Request

Estimated annual number of respondents:	2,958
Number of responses per respondent:	x 1
Hours per response:	x 0.16
Annual hour burden:	473

Temporary Total Disability Deferment Request

Estimated annual number of respondents:	1,595
Number of responses per respondent:	x 1
Hours per response:	x 0.16
Annual hour burden:	255

Unemployment Deferment Request

Estimated annual number of respondents:	46,793
Number of responses per respondent:	x 1
Hours per response:	x 0.16
Annual hour burden:	7,487

13. Annual Cost Burden to Respondents

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.

14. Estimated Annual Cost to Federal Government

The total estimated annual cost to the Federal government for this information collection is \$551,103.00. This covers printing, mailing, and processing the deferment request forms.

15. Reason for Changes to Burden Hour Estimate

The Department is reporting a decrease of 29,490 in the burden hour estimate as a program change. In the previous submission for this collection, the burden hour estimate was incorrectly calculated based on 12 minutes required to complete each form rather than 10 minutes.

16. Collection of Information with Published Results

The results of this collection of information will not be published.

17. Approval to Not Display Expiration Date

The Department is not seeking this approval.

18. Exceptions to the Certification Statement

The Department is not requesting any exceptions to the Certification for Paperwork Reduction

Act Submissions of OMB Form 83-1.

B. Collection of Information Employing Statistical Methods

This collection of information will not employ statistical methods.