

Health Professions Student Loans (HPSL), Primary Care Loans (PCL), Loans for Disadvantaged Students (LDS), and Nursing Student Loans (NSL) Programs - Forms

SUPPORTING STATEMENT

A. Justification

1. Circumstances of Information Collection

This is a request for an extension of OMB approval for the administrative forms used by the Health Professions Student Loan (HPSL) that include Primary Care Loans (PCL), Loans for Disadvantaged Students (LDS), and the Nursing Student Loan (NSL) Programs of the Health Resources and Services Administration (HRSA). The forms are cleared under OMB No. 0915-0044 and are provided as attachments. The expiration date for the current approval is 03/31/09. There are **no changes** to the forms.

The Health Professions Student Loan (HPSL) program, authorized by sections 721-735 of the Public Health Service (PHS) Act, 42 U.S.C. 292q-292y, provides funds to schools for long-term, low-interest loans to students attending schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, pediatric medicine, and pharmacy. The Loans for Disadvantaged Students (LDS) program, authorized by section 724(c) of the PHS Act, 42 U.S.C. 292t, gives HPSL schools access to funds for loans to financially needy students from disadvantaged backgrounds. The Primary Care Loan (PCL) program, authorized by section 723 of the PHS Act, 42 U.S.C. 292s, provides funds to HPSL schools for long-term, low-interest loans to students pursuing a degree only in medicine or osteopathic medicine and not the other HPSL disciplines. Borrowers must agree to practice in primary care until the loan is repaid. The statute provides for a gradual redistribution of medical and osteopathic HPSL funds to schools that demonstrate a commitment to training primary care practitioners. The LDS and PCL programs are funded separately from the HPSL program but are governed by relevant requirements associated with the HPSL program including due diligence requirements, institutional contributions, reporting, etc. The Nursing Student Loan (NSL) program, authorized by section 835-842 of the PHS Act (42 U.S.C. 297a-i), provides funds to schools of nursing for long term, low interest loans to students in programs leading to a diploma in nursing, an associate degree, a baccalaureate degree, or a graduate degree in nursing.

Participating HPSL, PCL, LDS, 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, PCL, LDS, and NSL funds; (2) identify and return to the Department excess cash from the HPSL, PCL, LDS, and NSL funds; and (3) determine the collectibility 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 (§§ 57.201-57.218) and the NSL program (§§ 57-301-57.318) are included in 42CFR57, Subpart C- Health Professions Student

Loans.

Approval – with **no change** is requested for HRSA-519, Certification of Deferment Status and approval with **no change** is requested for HRSA-501, HPSL, PCL, LDS & NSL Annual Operating Report (AOR) for the following administrative forms, which are included as attachments.

HRSA-519. Certification of Deferment Status is authorized by sections 722(c) (HPSL) and 836(b) (2) (NSL) of the PHS Act, and §§ 57.210 (HPSL) and 57.310 (NSL) of the regulations. The deferment form provides the school with documentation of a borrower's eligibility for deferment.

HRSA-501. HPSL, PCL, LDS & NSL Annual Operating Report (AOR) is authorized by section 798(e) of the PHS Act (42 USC 295o), and §§ 57.215 (HPSL) and 57.315 (NSL) of the regulations. The AOR provides the Federal Government with information from participating schools relating to HPSL, PCL, LDS & NSL program operations and financial activities.

2. Purpose and Use of Information

The following information collections are essential for reporting and retaining information, and for proper administration of the HPSL, PCL, LDS, and NSL programs:

HRSA-519. Certification of Deferment Status: The HPSL, PCL, LDS or NSL borrower completes the form and files it at the following intervals with the school which made the loan: (1) when the first payment falls due during the deferment period, (2) annually thereafter as long as the borrower's deferment status is in effect, and (3) upon termination of deferment status. The school uses the information to determine the eligibility of the borrower for deferment, and is able to temporarily suspend loan payments for an eligible borrower during the repayment period.

THERE ARE NO CHANGES TO THIS FORM.

HRSA-501. Annual Operating Report (AOR): The AOR is the basic instrument available to the HPSL, LDS, PCL, and NSL programs for collecting essential program data and monitoring financial activities, including proper debt management. The Department requires a lending school to file an AOR at the end of each school year in order to assist the participating institutions and the Federal Government to better manage the loan programs. The Federal Government uses this report to determine the fiscal soundness of the institution's loan program.

THERE ARE NO CHANGES TO THIS FORM.

3. Use of Improved Information Technology

All institutions for the Loan programs are required to submit an Annual Operating Report (AOR) that includes legislatively mandated data to support program performance and monitoring functions. The data is currently collected using a web-based system through the use of the Internet Server. The schools must still enter accounting information by personal computer, but all calculations based on the information (e.g. default rates) and all cumulatives are calculated automatically. (For the cumulative figures, the program provides the schools with their previous data in the electronic report format; the schools enter only the current figures.) HRSA awarded a contract for FY09 adding end-to-end support within the HRSA Electronic Handbooks (EHBs) for

the loan programs through the use of the Electronic Handbook that is used for all of HRSA's grant programs. The upgrade, replacement and consolidation of systems is a necessity to meet the increasing scrutiny required for IT systems security while simultaneously streamlining business processes, and eliminating vulnerabilities.

The Certification of Deferment Status is not submitted electronically at this time because the form requires the signature of an authorized certifying official.

4. Efforts to Identify Duplication

These requirements will not result in duplication since schools and borrowers would not be reporting this kind of information elsewhere.

5. Involvement of Small Entities

The information collection does not involve small businesses or other small entities.

6. Consistency if Information Collected Less Frequently

It is necessary to collect this information at the specified intervals for proper administration of the HPSL/PCL/LDS/NSL programs (e.g., the filing of a deferment form allows the school to temporarily suspend loan payments so as to assure that the borrower does not go into default).

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

The data are collected in a manner consistent with guidelines contained in 5 CFR 1320.5(d)(2). The HPSL and NSL statutes allow for a 10-year repayment period, excluding periods of student status and eligible deferment activities. As a result, student records and repayment records that are a part of the loan collections process must be retained for the appropriate repayment period. In addition, the regulations (HPSL, § 57.215(b) and NSL, § 57.315(a)(2)) require that student repayment records be retained for 5 years after repayment of the loan.

8. Consultations Outside the Agency:

The notice required by 5 CFR 1320.8(d) was published in the *Federal Register* on December 22, 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

The student records associated with these requirements are protected by the Family Educational Rights (FERPA) and the Privacy Act. The HRSA Privacy Act Officer has determined that a system of records is not needed for the information collections included in this request because all information on individual students is maintained by the schools.

11. Questions of a Sensitive Nature

There are no questions of a sensitive nature.

12. Estimates of Annualized Hour Burden

The reporting burden is as follows:

Form Number	No of Respondents	Responses per Respondent	Total Annual Response	Hours per Response	Total Burden Hours	Dollar Wage Rate	Total Hour Cost
Deferment HRSA- 519	2011	1	2,011	0.166 hrs.	334	\$38.15	\$12,742.10
AOR HRSA-501	907	1	907	4hrs.	3,628	\$38.15	\$138,408.20
Total Burden	2,918		2,918		3,962		\$151,143.66

Basis for Estimates:

HRSA 519: An average of 2,011 HPSL, NSL, LDS, and PCL borrowers are expected to file this form to request deferment of repayment of their loans. It is estimated that it will take a borrower 0.166 hrs. to complete this form (2,011 borrowers x 1 annual response x 0.166 hours = 334 hours).

The Deferment form cost to the public is estimated to be \$12,742.10 (334 burden hours x \$38.15/hour = \$12,742.10). The variety of borrowers, and the corresponding variability in salaries, makes it difficult to estimate an average hour cost. This amount (\$38.15) was selected as a reasonable estimate for health professionals still receiving training.

HRSA 501: The HPSL, NSL, LDS, and PCL schools file an Annual Operating Report (AOR) with the Department at the close of the school year detailing their fiscal and program activities. It is estimated to take 4 hours to complete this report (907 schools x 1 annual response x 4 hours = 3,628 hours).

The AOR cost to the public is estimated to be \$138,408.20 (\$3,628 burden hours x \$38.15/hour = \$138,408.20). This amount (\$38.15) is a generally accepted rate for school personnel responsible for completing the AOR.

13. Estimates of Annualized Cost Burden to Respondents

There are no capital and start-up costs for the HPSL/PCL/LDS/NSL program forms. There are no operating or maintenance costs for the Annual Operating Report (AOR) because the reports are generated from data already maintained by the schools for their own purposes.

14. Estimates of Annualized Cost to the Government

Deferment forms (HRSA 519): Forms are on-line and are printable, downloadable and do not require photocopying or mailing.

Annual Operating Report form (HRSA 501): This report is submitted electronically via the internet. The following cost is paid to the contractor for maintenance of the user guide, instructions, processing data and e-mail notification to schools participating in the program.

\$ 15,368 (Task V)

Total \$46,104 (3 year period)

15. Change in Burden

There are 4,408 hours currently in the OMB Inventory for 0915-0044. We are requesting 3,962 hours for a decrease of approximately **-446 burden hours**.

This change is due to the following:

1. There continues to be a decrease in student participation in the deferment requests because fewer students are accepting Primary Care Loans because of the service obligations and incurring a penalty if they breach their service commitment.

2. The number of HPSL, NSL, LDS, and PCL respondents using the AOR, HRSA-501 has decreased due to an initiative to collect dollars owed the Federal Government from closing programs. These closing programs pay their liability to the Federal Government and are placed in a Closed status, no longer participate in the loan programs; and are no longer required to submit reports.

16. Time Schedule, Publication, and Analysis Plans

There are no plans for the tabulation, statistical analysis or publication of the information collection.

17. Exception for Display of Expiration Date

Expiration date will be displayed

18. Certifications

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

LIST OF ATTACHMENTS

HPSL Legislative Authority, NSL Legislative Authority

HPSL Regulations, NSL Regulations

Forms: HPSL, PCL, LDS & NSL (HRSA-519) - Certification of Deferment Status form

HPSL, PCL, LDS & NSL (HRSA-501) - Annual Operating Report form- for Active and
Closing programs

Annual Operating Report Form Instructions