

## **Supporting Statement**

### **Information Collection for the William D. Ford Federal Direct Loan Program**

#### **General Forbearance Request**

**OMB Number: 1845-0031**

#### **A. Justification**

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

Section 428(c)(3) of the Higher Education Act of 1965, as amended (the HEA) provides that under certain circumstances, a borrower who receives a loan through the Federal Family Education Loan (FFEL) Program is entitled to a forbearance. A forbearance is an arrangement to postpone or reduce the amount of a borrower's monthly loan payment for a limited and specific time period. Section 455(a)(1) of the HEA provides that unless otherwise specified, loans made under the William D. Ford Federal Direct Loan (Direct Loan) Program are to have the same terms, conditions, and benefits as loans made under the FFEL Program.

The regulations governing forbearance in the Direct Loan Program are specified in 34 CFR 685.205. Further, §685.205(a) of the Direct Loan Program regulations requires borrowers who request a forbearance to provide sufficient documentation to support the request.

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

The General Forbearance Request form included with this submission has been used by the Department of Education (ED) to collect the information needed to process requests for forbearance under §685.205(a)(1). In accordance with this provision, a borrower who is willing but unable to make currently scheduled loan payments due to a temporary financial hardship may receive a forbearance. The form will continue to be needed for this purpose. If we did not collect this information, a Direct Loan borrower would not be able to request and agree to the terms of forbearance.

A borrower may request forbearance by—

1. Calling ED's Direct Loan Servicing Center (DLSC) and asking that a form be mailed to him or her,
2. Downloading a Portable Document Format (PDF) version of the form from the Direct Loan Online Servicing web site ([www.dl.ed.gov](http://www.dl.ed.gov)), or

3. Completing the General Forbearance Request on the Direct Loan Online Servicing web site ([www.dl.ed.gov](http://www.dl.ed.gov)).

If the borrower chooses not to complete the forbearance electronically, the borrower must submit a completed General Forbearance Request form to the DLSC by U.S. Postal mail.

A justification of each data element was included with the previous clearance package for this form. ED is not adding any new data elements.

ED is requesting a revision of the General Forbearance Request form with minor wording changes for consistency with other Direct Loan Program forms.

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

ED continues to maximize the use of available information technology in making and servicing Direct Loan Program loans. ED has implemented an “electronic signature” process using a personal identification number (PIN) that enables borrowers to request forbearance, agree to the terms of the forbearance, and provide the required documentation to support the forbearance request through the Direct Loan Program web site. With ED assigned PINs, borrowers use their PINs to satisfy the signature requirement on the General Forbearance Request form. When using their PINs, borrowers certify that the information provided on the General Forbearance Request form is true and correct and that the borrower understands the terms of the forbearance.

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

There is no information available from other sources that can be used for the purposes described in Item 2.

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

No small businesses are affected by this information collection.

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

The HEA and the Direct Loan Program regulations allow a forbearance to be granted for up to one year at a time. Therefore, a borrower who has been granted forbearance for one year and who remains eligible for forbearance at the end of that period must make another forbearance request (as described in Item 2 of this Supporting Statement) in order to have the forbearance extended. Less frequent data collection would prevent borrowers from obtaining this benefit.

**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 forbearance request forms included with this submission was originally developed with input from schools that participated in the first year of the Direct Loan Program. In developing the revised form included with this submission, the Department considered recommendations from the DLSC.

**9. Payment or Gifts to Respondents**

No payments or gifts will be provided to respondents.

**10. Assurance of Confidentiality**

The form includes a Privacy Act Notice that (1) informs borrowers of the statutory authority for the information collection, (2) explains that disclosure of the information is voluntary, but is required in order to determine whether the borrower is eligible for a forbearance, 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**

The General Forbearance Request form does not include any questions of a sensitive nature.

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

The total estimated annual hour burden for this collection is 237,224 hours. The hour burden and cost estimates were calculated as follows:

Estimated annual number of respondents:		1,186,120
Number of responses per borrower:	x	1
Hours per response:	x	0.2 (12 minutes)
Annual hour burden:		<hr/> 237,224 hours

**13. Estimated Annual Cost Burden to 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.

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

The total estimated annual cost to the federal government for this information collection is \$719,600.00. This includes costs associated with generating and mailing paper versions of the form and processing forbearance requests.

**15. Reasons for Program Changes/Adjustments Reported in Items 13 or 14 of OMB Form 83-I**

In Item 13 of OMB Form 83-I, ED is reporting an increase in the annual reporting and recordkeeping hour burden of 4,718 hours. This increase is an adjustment based on the increase in the number of borrowers entering repayment and requesting forbearance due to a temporary financial hardship and borrowers requesting and extension of their forbearance request.

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

The results of this information 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.