

SUBJECT: OMB Comments on Guaranty Agency Financial Report
(1845-0026)

1. Will the Secretary's shutdown of the NSLDS system affect the GAFR in any way?

Response: The Secretary's shutdown of NSLDS will have no impact on GAFR reporting.

2. The supporting statement (p. 1) indicates that GA's file these reports monthly and annually. This would suggest 13 filings per year. Please explain why the burden estimate suggests more frequent filings (17x per year).

Response: There are five guaranty agencies that have Voluntary Flexible Agreements (VFA) with the Department and under those agreements they are allowed to bill for Performance Based Fees (PBF). Three VFA agencies submit monthly invoices, one agency submits quarterly, and one agency submits annually.

3. Please explain how the hourly wage of \$88 for respondents was determined.

Response: A guaranty agency representative provided the hourly wage for respondents. The guaranty agency representative was an original ED/GA Form Redesign Workgroup member.

4. Please describe the conversations with Treasury that ED had in February and the current status of those discussions.

Response: Meeting with Treasury was not held in February. As a follow-up, FSA and OCFO met with OMB on April 13th to discuss the OMB proposal that all cash transactions should be recorded in the Federal fund, as well as in the liquidating and financing accounts. As a result of the meeting it was agreed that further analysis was need: (1) on the treatment of non-cash transactions, and (2) and if the accounting treatment as (Cash Held Outside Treasury" is appropriate.

The following actions are in process: (1) Analysis of the feasibility of apportionments - OMB; (2) impact of reporting all transactions through the federal fund on financial reporting - OCFO; and (3) analysis of accounting for the annual report line items through the balance sheet section of the annual report.

- **Also please describe the outreach that ED has conducted with the GA community (Term 1) to learn more about their feedback.**

Response: As a part of FSA 's data strategy initiative, FSA held two focus group sessions in October/November of 2006 with FFEL community representatives to discuss opportunities for improving the flow of data between program participants and Federal Student Aid. Feedback was provided regarding data standardization, data integrity, and data integration.