

**Supporting Statement**  
**Information Collection for the Federal Family Education Loan Program**  
**Income-Based Repayment Plan Request**  
**Income-Based Repayment Plan Alternative Documentation of Income**

**A. Justification**

**1. Necessity of Information Collection**

Section 493C of the Higher Education Act of 1965, as amended (the HEA), authorizes the Income-Based Repayment (IBR) Plan for borrowers who obtain student loans through the Federal Family Education Loan (FFEL) Program. The regulations that govern the IBR plan in the FFEL Program are in 34 CFR 682.215. In accordance with 34 CFR 682.209(a)(6)(iii), a FFEL Program lender must offer a borrower a choice of certain repayment plans, including the IBR Plan, not more than 6 months before the date the borrower's first payment is due.

Section 493C(b) of the HEA and 34 CFR 682.215(b)(1) provide that a borrower may choose to repay his or her loans under the IBR Plan only if the borrower has a partial financial hardship. A borrower is considered to have a partial financial hardship if the annual amount due on his or her eligible loans, as calculated under a standard repayment plan based on a 10-year repayment period, exceeds 15% of the difference between the borrower's adjusted gross income (AGI) and 150% of the poverty guideline for the borrower's family size. In the case of a married borrower who files a joint federal tax return, AGI includes both the borrower's and spouse's income. If a borrower has a partial financial hardship, the maximum monthly amount that a borrower may be required to repay under the IBR Plan is 15% of the difference between the borrower's AGI and 150% of the borrower's family size, divided by 12. A loan holder determines whether a borrower has a partial financial hardship to qualify for the IBR plan for the year the borrower initially selects the IBR Plan and for each subsequent year that the borrower remains on the plan.

Regulations at 34 CFR 682.215(e)(1) require a borrower who wishes to repay under the IBR Plan to provide his or her loan holder with written consent to the disclosure of AGI by the Internal Revenue Service (IRS) to the loan holder. This consent must be renewed annually as long as a borrower remains on the IBR Plan. A borrower must also annually certify his or her family size.

If a borrower's AGI is not available, or if the borrower's loan holder believes that the borrower's current AGI does not reasonably reflect the borrower's current income, regulations at 34 CFR 682.215(e)(1)(i)(B) provide that a loan holder may use alternative documentation of income provided by the borrower for purposes of determining whether the borrower has a partial financial hardship and calculating the IBR Plan monthly payment amount.

This Supporting Statement covers the following two collections of information:

1. FFEL Program Income-Based Repayment Plan Request (IBR Request) form. This collection will serve as the means by which a borrower requests the IBR Plan and provides some of the information needed by the borrower's loan holder to determine whether the borrower has a partial financial hardship and calculate the borrower's IBR Plan payment amount. Each IBR Request will be accompanied by a copy of IRS Form 4506-T (OMB No. 1545-1872), which will serve as the means by which a borrower provides consent for the IRS to release the borrower's AGI to the loan holder.

2. FFEL Program Income-Based Repayment Plan Alternative Documentation of Income (IBR Alternative Documentation) form. This collection will serve as the means by which a borrower provides his or her loan holder with alternative documentation of income, if the borrower's AGI is not available, or if the loan holder believes that the borrower's AGI does not reasonably reflect the borrower's current income.

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

The information collected on the IBR Request form and the IBR Alternative Documentation form will be used for the purposes described in Item 1. These are new collections. A justification of the data elements on each form is provided at the end of this Supporting Statement.

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

Currently, there is no electronic means of collecting the information that is required on the IBR Request and IBR Alternative Documentation forms. Both forms require a signature from the borrower, and the Alternative Documentation form requires the borrower to attach supporting documentation.

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

In many cases, loan holders may be able to pre-populate Section 1 of each form (Borrower Identification) based on existing information in the loan holder's records. This will reduce burden on borrowers. There is otherwise no information available from other sources that can be used for the purposes described in Item 1. Note that the IBR Request form collects the required consent to the release of tax information by the IRS to the loan holder by instructing borrowers to complete an existing OMB-approved IRS form (IRS Form 4506-T).

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

This information collection does not affect small businesses.

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

Borrowers will be required to complete the IBR Request form when they initially select the IBR Plan, and thereafter on an annual basis when they provide the required certification of family size, unless they choose to leave the IBR Plan. Borrowers will be required to complete the IBR Alternative Documentation form only when alternative documentation of income is required, as explained in Item 1. If the data requested on these forms was not collected, borrowers would be unable to obtain the benefits of the IBR Plan.

## **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**

In creating the IBR Request form and the IBR Alternative Documentation form, we consulted with the National Council of Higher Education Loan Programs (NCHELP), which represents lenders, loan servicers, and other entities that are involved in the administration of the FFEL Program.

In response to a notice published in the Federal Register on August 27, 2009 (74 FR 43688), we received 52 comments from two commenters, NCHelp and the Institute for College Access and Success (TICAS). We have made numerous changes to both forms in response to these public comments. A table containing all 52 comments and ED’s responses to the comments is included with this submission.

The required 30-day Federal Register Notices soliciting public comments on the revised forms will be published.

**9. Payment or Gifts to Respondents**

No payments or gifts will be provided to respondents.

**10. Assurance of Confidentiality**

Both forms included with this submission include 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 for borrowers to repay their loans under the IBR plan, 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**

ED is not requesting any sensitive information.

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

The total estimated annual hour burden for this collection is 936,721 hours. The hour burden and cost estimates for each form were calculated as follows:

IBR Request

Estimated annual number of respondents:		1,128,579
Number of responses per borrower:	x	1
Hours per response:	x	0.33 (20 minutes)
Annual hour burden:		<hr/> 372,431 hours

IBR Alternative Documentation

Estimated annual number of respondents:		564,290
Number of responses per borrower:	x	1
Hours per response:	x	1 (60 minutes)
Annual hour burden:		<hr/> 564,290 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**

There is no significant cost to the federal government associated with this collection, since FFEL Program loan holders will distribute the IBR Request and IBR Alternative Documentation forms and process the information that is collected.

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

This is a new collection that is required to implement section 493C of the HEA, which established the income-based repayment plan in the FFEL Program.

**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.

**Justification of Data Elements Follows on Next Page**

<b>Justification of Data Elements: FFEL Program IBR Request Form</b>	
<b>Data Element</b>	<b>Justification</b>
<b>Section 1: Borrower Identification</b>	
Social Security Number	Used to identify the borrower.
Name	Used to identify the borrower.
Address (including city, state, zip)	Used by the loan holder as the official address for sending correspondence to the borrower.
Telephone numbers (home and other)	Used by the loan holder to contact the borrower if further information is needed related to the request for IBR.
E-mail address (optional)	May be used by the loan holder to contact the borrower if further information is needed related to the IBR request.
<b>Section 3: Family Size</b>	
Family size number	Required for determining whether the borrower has a partial financial hardship and calculating IBR payment amount.
<b>Section 4: Eligible FFELP Loans With Other Loan Holders and Direct Loans</b>	
Borrower indicates whether he or she has other loans eligible for the IBR Plan	Required for determining whether borrower has a partial financial hardship and calculating the IBR payment amount.
<b>Section 5: Borrower Request, Agreement, Authorization, and Certification</b>	
Borrower's signature and date of signature	Needed to confirm the borrower's request for the IBR Plan and agreement to repay under the terms and conditions of the IBR Plan, to collect the borrower's authorization for the loan holder to contact the borrower at his or her cell phone number using automated dialing equipment, and to obtain the borrower's certification that all information provided on the form is complete and correct.

<b>Justification of Data Elements: FFEL Program IBR Alternative Documentation Form</b>	
<b>Data Element</b>	<b>Justification</b>
<b>Section 1: Borrower Identification</b>	
Social Security Number	Used to identify the borrower.
Name	Used to identify the borrower.
Address (including city, state, zip)	Used by the loan holder as the official address for sending correspondence to the borrower.
Telephone numbers (home and other)	Used by the loan holder to contact the borrower if further information is needed related to the request for IBR.
E-mail address (optional)	May be used by the loan holder to contact the borrower if further information is needed related to the IBR request.
<b>Section 3: Spouse Information (required if borrower is married and files jointly)</b>	
Spouse's name	Used to identify the borrower's spouse.
Spouse's address	If different from the borrower's address, may be used by the loan holder as the official address for sending correspondence to the borrower's spouse.
<b>Section 4: Income Information</b>	
Amount of borrower's annual taxable income	Required by the loan holder to verify the borrower's income for purposes of determining whether the borrower has a partial financial hardship and calculating the IBR payment amount.
Amount of spouse's annual taxable income	
<b>Section 5: Authorization, Understandings, Certification and Signature</b>	
Borrower's signature and date of signature	Needed to collect the borrower's (and spouse's, if required) authorization for the loan holder to contact the borrower at his or her cell phone number using automated dialing equipment, understanding that the loan holder may request income information from the IRS even if alternative documentation of income is accepted, and certification that all information provided on the form is complete and correct.
Spouse's signature and date (if required)	