

Supporting Statement
Information Collection for the William D. Ford Federal Direct Loan Program
Federal Direct PLUS Loan Request for Supplemental Information

A. Justification

1. Necessity of Information Collection

Section 455(a) of the Higher Education Act of 1965, as amended (the HEA) authorizes Federal Direct PLUS Loans (Direct PLUS Loans) as one of the loan types that are available through the William D. Ford Federal Direct Loan Program (Direct Loan Program). Direct PLUS Loans are made to parents of dependent undergraduate students and to graduate and professional students. In accordance with 34 CFR 685.201(b), a parent or a graduate or professional student who wishes to borrow a Direct PLUS Loan must complete a Direct PLUS Loan Application and Master Promissory Note (Direct PLUS Loan MPN; approved under OMB No. 1845-0068)). A master promissory note is a promissory note under which a borrower may receive loans for a single academic year or multiple academic years (see the definition of “master promissory note” in 34 CFR 685.102(b)). Borrowers have the option of completing a paper Direct PLUS Loan MPN or completing the Direct PLUS Loan MPN electronically on ED’s Direct Loan eMPN web site. The eligibility requirements for Direct PLUS Loan borrowers are in 34 CFR 685.200(b) and (c).

Schools that participate in the Direct Loan Program are responsible for determining a borrower’s eligibility for a Direct PLUS Loan and must submit an electronic loan origination record to the U.S. Department of Education (ED) for each Direct PLUS Loan that a borrower receives. The loan origination record includes loan-specific information that is not included on the Direct PLUS Loan MPN, such as the loan amount. Because the Direct PLUS Loan MPN is a multi-year promissory note that can be used to make multiple loans for up to 10 years, it is not possible to include on the MPN itself loan-specific information about the multiple individual loans that may be made under a single Direct PLUS Loan MPN.

The Direct PLUS Loan Request for Supplemental Information collects additional information that schools need in order to originate Direct PLUS Loans. Currently, schools obtain this information directly from Direct PLUS Loan applicants through school-based procedures that they have developed and that vary from school to school.

2. Purpose and Use of Information Collected

This is a new collection. As explained in Item 1, the Direct PLUS Loan Request for Supplemental Information collects information that is required by schools before they can originate a Direct PLUS Loan. The Direct PLUS Loan Request for Supplemental Information also collects certain other information that will assist schools in processing Direct PLUS Loan awards, and that would otherwise have to be collected by schools through other means.

ED developed the Direct PLUS Loan Request for Supplemental Information in response to requests from schools that participate in the Direct Loan Program. The principal

purpose of the Direct PLUS Loan Request for Supplemental Information is to simplify the Direct PLUS Loan application process for borrowers and assist schools in the creation of Direct PLUS Loan awards. Schools wanted to have a standardized process for collecting some of the information needed for a Direct PLUS Loan origination record that is not collected on the Direct PLUS Loan MPN. In addition, schools wanted this information to be collected on the same ED web site where borrowers may complete an electronic Direct PLUS Loan MPN and Direct Loan entrance counseling, so that parents and students will be able to go to a single location where they can provide the information needed by schools to originate a Direct PLUS Loan, complete a Direct PLUS MPN (if they have not already done so) and, if required, entrance counseling. .

The Direct PLUS Loan Request for Supplemental Information will only be available electronically on ED's electronic MPN web site. A paper option will not be offered. Completion of the Direct PLUS Loan Request for Supplemental Information will be optional, at the discretion of the school that is awarding a borrower's Direct PLUS Loan. Schools may continue to use their own procedures to obtain the information needed to originate Direct PLUS Loans, or they may direct parent and student Direct PLUS Loan borrowers to ED's web site to complete ED's Direct PLUS Loan Request for Supplemental Information. If a school chooses to use ED's Direct PLUS Loan Request for Supplemental Information, a borrower will have to complete a Direct PLUS Loan Request for Supplemental Information for each Direct PLUS Loan that he or she receives.

A borrower will be able to access the Direct PLUS Loan Request for Supplemental Information on the same ED web site where a borrower may complete an electronic PLUS MPN or complete Direct Loan electronic entrance counseling. To access this web site, a borrower must have a Federal Student Aid PIN.

Once a borrower has completed a Direct PLUS Loan Request for Supplemental Information, ED will transmit the information that the borrower provided to the school(s) that the borrower identified. A parent Direct PLUS Loan applicant who has more than one dependent child for whom he or she wishes to obtain a Direct PLUS Loan may complete a single Direct PLUS Loan Request for Supplemental Information for multiple children attending different schools. The Direct PLUS Loan Request for Supplemental Information will allow a parent Direct PLUS Loan applicant to provide information for more than one student and to select more than one school to receive the information.

An explanation of the data elements included on the Direct PLUS Loan Request for Supplemental Information is provided at the end of this supporting statement.

3. Consideration of Improved Information Technology

The Direct PLUS Loan Request for Supplemental Information will make maximum use of available information technology. As explained in Item 2, a borrower must have a Federal Student Aid PIN to access the web site where the Direct PLUS Loan Request for Supplemental Information will be located. Identifying information from the PIN web site will automatically populate some of the Borrower Information data elements on the Direct PLUS Loan Request for Supplemental Information, so the borrower will not have

to provide this information. In addition, if a borrower who is completing the Direct PLUS Loan Request for Supplemental Information has already completed a Direct PLUS Loan MPN, or has another record on file in ED's Common Origination and Disbursement System (for example, a Pell Grant origination record), most of the additional data elements in the Direct PLUS Loan Request for Supplemental Information will also be automatically populated based on the existing information from the Direct PLUS Loan MPN or other record. Borrowers will only have to provide information that is not already available from existing records, or make any necessary corrections to the information that is imported from other records.

If a borrower who completes the Direct PLUS Loan Request for Supplemental Information has not already completed a Direct PLUS Loan MPN, the information collected on Direct PLUS Loan Request for Supplemental Information will be used to populate corresponding data elements on the Direct PLUS Loan MPN when the borrower completes that document.

4. Efforts to Identify Duplication

As explained in Item 3, above, the Direct PLUS Loan Request for Supplemental Information does not require borrowers to provide information that is available from other records maintained by ED. 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

As explained in Item 2, completion of the Direct PLUS Loan Request for Supplemental Information is optional, at the discretion of the school that is processing a borrower's Direct PLUS Loan request. If a school wants its Direct PLUS Loan applicants to complete ED's Direct PLUS Loan Request for Supplemental Information, a borrower will have to complete a separate Direct PLUS Loan Request for Supplemental Information for each Direct PLUS Loan that he or she receives (except that a parent borrower may complete a single Direct PLUS Loan Request for Supplemental Information to cover more than one Direct PLUS Loan if he or she is borrowing on behalf of more than one dependent student). If a borrower did not complete the Direct PLUS Loan Request for Supplemental Information, the school would not have all of the information that is needed to originate a Direct PLUS Loan.

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 Direct PLUS Loan Request for Supplemental Information was developed at the request of schools that participate in the Direct Loan Program and its content reflects many of their recommendations. In addition, a notice was published in the Federal

Register on December 10, 2009 soliciting public comments during the initial 60-day comment period for this collection. One public comment was submitted in response to this notice. This comment and ED's response to the commenter are provided in a separate document included with this submission.

9. Payments or Gifts to Respondents

No payments or gifts will be provided to respondents.

10. Assurance of Confidentiality

The Direct PLUS Loan Request for Supplemental Information includes a Privacy Act Notice that (1) provides the statutory authority for the information collection, (2) explains that disclosure of the information is voluntary, but is required for participation in the Direct Loan Program, 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 Direct PLUS Loan Request for Supplemental Information does not require respondents to provide any information that would be considered sensitive.

12. Annual Hour Burden for Respondents/Recordkeepers

ED estimates the total annual number of respondents for this information collection to be approximately 101,750. The estimated time required to complete a Direct PLUS Loan Request for Supplemental Information 0.5 hours hour (30 minutes). Based on one response per respondent, this equates to a total estimated annual reporting burden of 50,875 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 \$1,327,890.00. This includes costs associated with software development and electronic transmission/receipt of data.

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

This is a new collection.

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 Federal Direct PLUS Loan Request for Supplemental Information	
Data Element	Justification
Borrower Information Section	
1. Social Security Number	Used for record identification; will be automatically populated from the Federal Student Aid PIN site.
2. Name	Used for record identification; will be automatically populated from the Federal Student Aid PIN site.
3. Date of Birth	Used for record identification; will be automatically populated from the Federal Student Aid PIN site.
4. Citizenship Status [to be completed only by parent Direct PLUS Loan borrowers]	Used to determine eligibility for a Direct PLUS Loan; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the Common Origination and Disbursement (COD) System that contains this information.
5. Permanent Address	Used for sending correspondence to borrower; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
6., 7. Mailing Address (if different from permanent address)	Used for sending correspondence to borrower; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
8. Area Code/Telephone Number	Used to contact the borrower in connection with the Direct PLUS Loan request; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
9. E-mail Address (optional)	Used to contact the borrower in connection with the Direct PLUS Loan request; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
10., 11. Employer Name and Address	Used to contact borrower in connection with Direct PLUS Loan request if borrower cannot be reached by other means; will be automatically populated if

	there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
Student Information Section [to be completed only by parent Direct PLUS Loan borrowers]	
12. Student's Name	Used for record identification; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
13. Student's Social Security Number	Used for record identification; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
14. Student's Date of Birth	Used for record identification; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
15. Student's Permanent Address	Used to contact the student in connection with the Direct PLUS Loan request; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
16. Student's Area Code/Telephone Number	Used to contact the student in connection with the Direct PLUS Loan request; will be automatically populated if there is an existing Direct PLUS Loan MPN or other record in the COD System that contains this information.
17. Deferment Request	Simplifies deferment procedures by allowing a parent Direct PLUS Loan borrower to request a deferment while the student is in school at the time of the borrower's request for a loan instead of having to make a separate deferment request at a later date.
18. Credit Balance Option	Simplifies procedures by allowing a parent Direct PLUS Loan borrower to inform the school how he or she wants a credit balance to be handled at the time of the borrower's request for a loan instead of having to inform the school at a later date through a separate process.
School and Loan Information Section	
19. School State	Used to bring up list of Direct Loan schools in a particular state.
20. School Name	Used to determine which school(s) will receive the information collected by the Direct PLUS Loan Request for Supplemental Information.

21. Loan Amount Requested	Used to determine the Direct PLUS Loan amount the borrower wishes to receive (required for Direct PLUS Loan origination records).
Credit Check Section	
22. Credit Check Authorization	Collects borrower’s authorization for a credit check to be performed. Under §428B(a)(1)(A) of the HEA, one of the eligibility requirements to receive a Direct PLUS Loan is that a parent or a graduate or professional student borrower must not have an adverse credit history, as determined by regulations issued by ED. To make this determination, a credit check must be conducted. The Direct Loan Program regulations allow a parent or a graduate or professional student who has an adverse credit history to receive a Direct PLUS Loan if the individual obtains an endorser who does not have an adverse credit history, or documents to the satisfaction of ED that extenuating circumstances exist.
23. Adverse Credit Determination	For borrowers who are determined to have an adverse credit history, collects information on how the borrower wants to proceed (obtain an endorser, submit documentation of extenuating circumstances, or decline to pursue a PLUS loan). This information will be assist schools in determining whether to award additional Direct Unsubsidized Loan funds to the student on whose behalf the parent is borrowing because the parent cannot obtain a Direct PLUS Loan, or wait for the parent to continue to pursue the Direct PLUS Loan by obtaining an endorser or submitting documentation of extenuating circumstances.