

SUPPORTING STATEMENT

Information Collection for the Federal Family Education Loan Program William D. Ford Federal Direct Loan Program and Federal Perkins Loan Program

Military Service Deferment / Post-Active Duty Student Deferment Request Form

A. Justification

1. Necessity of Information Collection

Sections 428(b)(1)(M) [20 U.S.C. 1078(b)(1)(M)], 455(f)(2) [20 U.S.C. 1087e(f)(2)], and 464(c)(2)(A) [20 U.S.C. 1087dd(c)(2)(A)] of the Higher Education Act of 1965, as amended, (the HEA) provide that a borrower under the Federal Family Education Loan (FFEL) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, and the Federal Perkins (Perkins) Loan Program may temporarily defer payments on his or her eligible loans while serving on active duty during a war or other military operation or national emergency, and for an additional 180-day period following the conclusion of the borrower's qualifying military service. This deferment is referred to as a "military service deferment."

Section 493D of the HEA [20 U.S.C. 1098f] provides that a FFEL, Direct Loan, or Perkins Loan program borrower who (1) is a member of the National Guard or other reserve component of the U.S. Armed Forces or a retired member of the U.S. Armed Forces and (2) is called or ordered to active duty while enrolled at an eligible school or within six months of having been enrolled may defer repayment of his or her eligible loans for up to 13 months following the conclusion of the borrower's active duty military service, or until the borrower returns to enrolled student status, whichever occurs earlier. This deferment is known as a "post-active duty student deferment."

The regulations that govern the military service deferment and the post-active duty student deferment are in 34 CFR 682.210(t) and (u) [for the FFEL Program], 34 CFR 685.204(e) and (f) [for the Direct Loan Program], and 34 CFR 674.34(h) and (i) [for the Perkins Loan Program]. These regulations require a borrower to request a deferment and to provide information to the loan holder establishing the borrower's eligibility for the deferment.

The U.S. Department of Education (ED) is requesting a revision of the collection currently approved under OMB No. 1845-0080. The major changes to the currently approved deferment request form include the following:

- Expansion of the form to include the post-active duty student deferment, which was added to the HEA by the College Cost Reduction and Access Act of 2007 [Public Law 110-84; enacted on September 27, 2007] after the current military deferment request form had already been approved by OMB. Since borrowers who serve in the military may qualify for both the military service deferment and the post-active duty deferment, ED believes that including both deferments on the same form will reduce burden for borrowers. Further, ED believes that the

number of borrowers who qualify only for the post-active duty deferment, but not the military service deferment, is not significant enough to justify a separate deferment form covering only that deferment.

- Revision of the language related to the military service deferment to reflect changes to the terms and conditions of this deferment that were made by the CCRAA.
- Revision of Section 4 (Authorized Official's Certification) to require the certifying official for a military service deferment to specifically identify the type of service that qualifies the borrower for the deferment, as opposed to simply certifying that the borrower's service meets requirements that are described elsewhere on the form (as on the currently approved form). The purpose of this change is to make it easier for the certifying official to determine whether the borrower's service meets the specific eligibility requirements for the deferment, and to help ensure that only borrowers whose military service meets those requirements receive the deferment.
- The addition of a new check box in Section 4 to identify borrowers who served in an area of hostilities in which service qualifies for special pay. The purpose of this change is to identify borrowers who qualify for the Direct Loan Program's no accrual of interest benefit for active duty service members, which was added to section 455(o) of the HEA by the Higher Education Opportunity Act (HEOA) [Public Law 110-315; enacted August 14, 2008]. For borrowers who qualify for this benefit, ED pays the interest on their Direct Loan Program loans that were first disburse on or after October 1, 2008 for a period of up to 60 months while they are serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency (the same as the eligibility requirement for the military service deferment), and serve in an area of hostilities in which service qualifies for special pay under section 310 of title 37, United States Code (an additional requirement for the no accrual of interest benefit that does not apply to the military service deferment). Any borrower who qualifies for the no accrual of interest benefit would also qualify for a military service deferment and therefore would presumably apply for a deferment. However, not all borrowers who qualify for a military service deferment meet the additional eligibility requirement for the no accrual of interest benefit. The new check box will enable ED to identify borrowers receiving a military deferment who also qualify for the no accrual of interest benefit, so that they may receive this benefit without having to make a separate request.

A justification for the data elements on the deferment request form is included at the end of this supporting statement.

2. Purpose and Use of Information Collected

The currently approved deferment request serves as the means by which a borrower submits a request for a military service deferment to his or her loan holder and provides the loan holder with the information needed to establish that the borrower meets the eligibility requirements for the deferment. The revised deferment request form will continue to be used for this purpose, and will also serve as the means by which a borrower requests a post-active duty student deferment, and by which ED identifies

Direct Loan borrowers who qualify for the no accrual of interest benefit for active duty service members.

3. Consideration of Improved Information Technology

The collection of information does not involve the use of technological processes such as electronic submissions. A borrower must establish his or her eligibility for the deferment either by obtaining a certification from a military official on the deferment request form, or by providing the loan holder with a copy of the borrower's military orders. Because of the requirement for a third-party certification or submission of additional documentation, the United States Postal Service or an alternative mail delivery service currently provide the only practical means for a borrower to submit a military service deferment / post-active duty student deferment request.

4. Efforts to Identify Duplication

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

5. Burden Minimization as Applied to Small Business

No small businesses are affected by this information collection.

6. Consequences of Less Frequent Data Collection

If a borrower did not complete the deferment request, there would be no means by which the loan holder could determine the borrower's eligibility for a military service deferment or post-active duty student deferment, or the borrower's eligibility for the Direct Loan Program's no accrual of interest benefit for active duty service members.

7. Special Circumstances Governing Data Collection

The collection of this information will be conducted in a manner that does not involve any of the guidelines in 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

We considered recommendations from the financial aid community when developing the currently approved military deferment request form, and when drafting the revised form that was posted for review during the initial 60-day public comment period. During the 60-day comment period we received 41 comments from the National Council of Higher Education Loan Programs (NCHELP) in response to a notice published in the Federal Register on January 26, 2010 (75 FR 4052). We have made a number of additional changes to the form based on these comments. The comments submitted by NCHELP and ED's responses to those comments are included with this submission.

9. Payments or Gifts to Respondents

No payments or gifts will be provided to respondents.

10. Assurance of Confidentiality

The deferment request form includes a Privacy Act Notice that (1) informs the respondent of the statutory authority for the information collection; (2) explains that disclosure of the requested information is voluntary, but is required in order for the deferment request to be processed; 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

This information collection does not request any sensitive information.

12. Annual Hour Burden for Respondents/Record keepers

The total estimated annual reporting hour burden for this information collection is approximately 8,000 hours. The burden estimate was calculated as follows:

Estimated annual number of respondents:	16,000
Number of responses per borrower:	x 1
Hours per response:	x <u>0.5 (30 minutes)</u>
Annual hour burden:	8,000 hours

The total estimated cost burden for this collection is \$7,040.00. This estimate was calculated by multiplying the estimated number of respondents (16,000) by the current cost of postage required to return the deferment request form (\$0.44).

13. Annual Cost Burden to Respondents

There are no startup costs to respondents.

14. Estimated Annual Cost to Federal Government

There is no significant cost to the federal government associated with military deferment requests submitted by FFEL and Perkins borrowers, since FFEL Program loan holders and Perkins schools distribute the form, collect the information, and process the deferment requests.

The annual cost to the federal government for processing military deferment requests submitted by Direct Loan borrowers is approximately \$37,128.00. This represents costs for printing and mailing the deferment request forms, and processing the deferment requests.

15. Reason for Changes to Burden Hour Estimate

ED is not reporting any changes in the burden hour estimate.

16. Collection of Information with Published Results

The results of this information collection will not be published.

17. Approval Not to Display Expiration Date

The Department is not seeking this approval.

18. Exceptions to the Certification Statement

The Department is not requesting any exceptions to the Certification for Paperwork Reduction Act Submissions of OMB Form 83-1.

B. Collection of Information Employing Statistical Methods

This collection of information will not employ any statistical methods.

**Justification of Data Elements
Military Deferment Request**

<u>Data Element</u>	<u>Justification</u>
Section 1:	
Social Security Number	Used for borrower identification.
Name	Used for borrower identification.
Address	Used as the borrower’s official address to which correspondence related to the deferment is sent
City, State, Zip	Same as “Address”.
Telephone - Home	Used to contact the borrower if further information or clarification of responses is required.
Telephone - Other	Used to contact the borrower if further information or clarification of responses is required.
E-mail (optional)	Used to contact the borrower if further information or clarification of responses is required.
Section 2	
(A) Check box for military service deferment.	Collects the borrower’s request for the military service deferment.
(B) Check box for the post-active duty student deferment.	Collects the borrower’s request for the post-active duty student deferment.
Section 3	
Signature of Borrower or Borrower’s Representative and Date	Used to certify the validity of the information provided by the borrower. (For the military service deferment, the borrower’s designee may sign the form if the borrower has been deployed on a military operation and is not readily available to complete the deferment request.)
Name of Representative (if applicable) and Relationship to Borrower	Used for identification of the individual who is signing the deferment request on behalf of the borrower.
Address of Representative	In the absence of the borrower, used as the official address to which correspondence related to the deferment is sent.
Telephone Number of Representative	In the absence of the borrower, used to contact the borrower’s representative if further information or

	clarification of responses is required.
Section 4	
(1) and (2). Check boxes to indicate type of military service.	Used to confirm that the borrower’s type of military service meets the eligibility requirements for the military service deferment.
(3) Check box to indicate whether the borrower served in an area of hostilities in which service qualifies for special pay.	Used to identify borrowers who qualify for the Direct Loan Program’s no accrual of interest benefit for active duty service members.
Period of the borrower’s military service	Used to determine the deferment period.
Name of Military Branch or National Guard	Used to identify the type of military service that is the basis for the borrower’s deferment request.
Address	Used to contact certifying official if additional information or clarification is needed.
City, State, Zip	Same as “Address”.
Name/Title of Authorized Official	Used to identify the individual who is certifying the borrower’s eligibility for the deferment.
Telephone	Same as “Address”.
Authorized Official's Signature and Date	Used to certify the borrower’s eligibility for the deferment.