

To: Sharon Mar,
OMB Desk Officer

From: David Bergeron
Acting Deputy Assistant Secretary for
Policy, Planning and Innovation
Office of Postsecondary Education
U.S. Department of Education

Subject: Request for emergency clearance application form under the Student Aid
Fiscal Responsibility Act (SAFRA)

Date June 8, 2009

The Department of Education's (the Department) Office of Postsecondary Education requests that OMB grant an emergency clearance by June 25, 2010 of the following document associated with the Interim Final Requirements, as added by the SAFRA Act of 2010:

1. Application to be considered for an award.

We are requesting permission for an emergency clearance so that we may allow eligible servicers to apply for an award under SAFRA. We must meet the deadline set by Congress to evaluate the applications and obligate the awards before the end of the 2010 government fiscal year. We have a tight time frame to notify servicers, review their application, determine award amounts and inform servicers of award amounts and receive their updated plan for retaining jobs at their location within the U.S.

The SAFRA Act Payments to Loan Servicers for Job Retention is a new requirement that requires the Department to implement the requirements in section 458(a) (7) of the Higher Education Act of 1965 as amended (HEA), as added by section 2212 (b) (1) of the SAFRA Act, Title II of the Health Care and Education Reconciliation Act of 2010, (Public Law 111-152)

Specifically, SAFRA requires the Secretary to provide payments to student loan servicers in FY 2010 and FY 2011 for retaining jobs at locations in the United States where such servicers were operating under part B of the HEA on January 1, 2010.

Implementation of the SAFRA Act requirements will be conducted in several phases. First, FFEL loan servicers will submit application forms with payroll information for individuals working within a servicing entity on loan origination activity at the location they designate on the date specified in the final requirements, as well as a plan for preserving jobs at that facility. This information provided will be used by the Department to determine award amount. The Department will calculate, by formula, the award each servicer will receive and will then notify the servicer of the award amount. Finally, the servicer will, before any funds are disbursed, submit an updated plan detailing how it will use the awarded funds to preserve jobs at that facility based on the actual amount of the award. The awarded amount will subsequently be disbursed to the servicer.

The Department requests emergency clearance of the documents by June 25, 2010, and must have clearance of the document before the servicer application process can proceed.

Upon receiving emergency clearance of the document the Department will publish the "Interim final requirements" in a Federal Register notice and start accepting applications from eligible servicers.

Please let me know if you have questions related to this emergency clearance request. I can be reached at (202) 502-7815, or by email at: david.bergeron@ed.gov.

Thank you in advance for your timely consideration of this important request.