

**SUPPORTING STATEMENT**  
**FOR PAPERWORK REDUCTION ACT SUBMISSION**

**A. Justification**

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Department of Education (ED) is submitting the ED Form 799 for approval.

The information collected on the ED Form 799 is needed to pay interest and special allowance to holders of Part B loans, for internal financial reporting, budgetary projections, and for audit and lender reviews by ED, General Accounting Office and Department of Treasury.

The legal authority for collecting this information is Title IV, Part B of the Higher Education Act of 1965, as amended by the Higher Education Reconciliation Act of 2005 (“the HERA”), (Pub.L. 109-171). ED is requesting the continual approval for regulatory sections 682.304, 682.414 and 682.515.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The ED Form 799 is used by lenders participating in the Part B programs to request payment of interest and special allowance on loans outstanding. Lenders report on the ED Form 799 quarterly (March, June, September, and December). The information on the ED Form 799 is also used by ED to capture detailed information to enhance Departmental reporting for budgetary projections, program planning and evaluations, departmental audits, and financial and statistical reporting on Part B programs. If the information is not collected, ED is unable to make payments to lenders for interest and special allowance, nor provide a comprehensive, analytical analysis on lenders and their portfolio of loans.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g.

permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The data is submitted to the Financial Management System (FMS) via on-line data entry or file transfer protocol (FTP).

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use of the purposes described in Item 2 above.

This information is currently being captured by the National Student Loan Data System (NSLDS). At this time NSLDS only monitors the billings received for reasonability and is unable to pay subsidies and interest to lenders.

5. If the collection of information impacts small businesses or other small entities (Item 8b of IC Data Part 2), describe any methods used to minimize burden.

Collection of this information does not involve small business.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If the collection of this information were conducted less frequently, it would delay payments to lenders mandated by statute.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;

- in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The collection of this information will be conducted in accordance with the guidelines in 5 CFR 1320.5

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

No consultation was made with outside organizations regarding the ED Form 799 because there were no changes to the form. The appropriate 60-day and 30-day notices published with no public comments.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

ED does not provide any payment or gift to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

No assurance of confidentiality has been provided to respondents.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. The justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive or private nature in this information collection activity.

12. Provide estimates of the hour burden of the collection of information. The statement should :

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.
- If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in item 16 of IC Data Part 1.
- Provide estimates of annualized cost to respondents of the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should

not be included here. Instead, this cost should not be included in Item 14.

The total annual burden has been determined to be approximately 28,275 hours. This was determined by multiplying the estimated number of annual respondents (2,900) times the number of responses per respondent (4) times the amount of time (3.75) needed to collect, complete, review and submit the information.

Respondents	2,900
Responses	x4
Total Annual Responses	11,600
Hours per Responses	x2
Total Burden Hours	23,200
Recordkeepers	2,900
Hours per Recordkeeper	x1.75
Total Hours	5,075
<b>TOTAL ANNUAL BURDEN HOURS</b>	<b>28,275</b>

The estimated cost to the public will be approximately \$195,750.00. This was determined by multiplying the estimated number of respondents (2,900) times the amount of time it takes to collect, complete, review, submit and maintain the forms (3.75), times an average hourly wage of \$18.00 per hour.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting

information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
  
- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

Total Annualized Capital/Startup Cost : \$ .00  
Total Annual Costs (O&M) : .00

Total Annualized Costs Requested : \$ .00

There is no additional annual cost burden to respondents or record keepers resulting from the collection of information

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

ED Form 799 data is submitted online or via FTP into the FMS. It is estimated that the Annual operating cost of the computer system to the Federal Government will be \$123,050. The cost estimate was done by linking system activity to a percentage of the general ledger lines.

The percentage was used to determine the estimated cost. The estimated cost is based on the FY2010 Operations Software license and security cost for FMS.

15. Explain the reasons for any program changes or adjustments to #16f of the IC Data Part 1 Form.

ED is citing a total burden hours of 28,275. This is a decrease of 2,925 hours. The decrease is due to a decrease in participating lenders. These figures equate to an adjustment in burden of 2,925 hours. There are no program changes.

Current Inventory	31,200
ED Proposed Inventory	28,275
Difference:	2,925

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

ED does not plan to publish for statistical use the results of the information to be collected. Management reports, however, will be prepared.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The expiration date for OMB approval of the information collection will be displayed.

18. Explain each exception to the certification statement identified in the Certification of Paperwork Reduction Act.

The collection of information complies with 5CFR 1320.9.