

**SUPPORTING STATEMENT**

**FOR PAPERWORK REDUCTION ACT SUBMISSION**

EDICS Tracking and OMB Number: (04806) 1845-NEW v.1

Revised 02/28/2012

**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 hard copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information, or you may provide a valid URL link or paste the applicable section. Please limit pasted text to no longer than 3 pages. Specify the review type of the collection (new, revision, extension, reinstatement with change, reinstatement without change). If revised, briefly specify the changes. If a rulemaking is involved, make note of the sections or changed sections, if applicable.

*The Department of Education (ED) is submitting for approval the FFEL LIBOR Waiver.*

*On December 23, 2011, the President signed the Consolidated Appropriations Act, 2012 (Public Law 112-74), which directs that FFEL lenders be given the option of having their special allowance payments calculated using the 1-month LIBOR rate for the calendar quarter beginning April 1, 2012 and each subsequent quarter if they file the required waiver no later than April 1, 2012. The waiver will be a one-time collection.*

*Lenders electing to have all loans calculated using LIBOR will only be required to sign a waiver; no data will be collected. However, if certain conditions are met, the lender may designate some loans as LIBOR loans, while others remain tied to the commercial paper (CP) rate. Those lenders will be required to provide additional documentation to prove that they meet the requirements of the exception.*

*The legal authority for collecting this information is Section 438(b)(2)(I) of the Higher Education Act of 1965, as amended by Public Law 112-74.*

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.

*Lenders are required to file a quarterly report known as the Lender's Interest and Special Allowance Request and Report (OMB NO. 1845-0013) in order to claim subsidized interest payments and special allowance payments on qualifying FFEL loans. The waiver will give lenders the opportunity to request the LIBOR rate, and will identify those lenders to ED to ensure that the calculations of special allowance are accurate.*

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 given to using technology to reduce burden

*ED will allow lenders to submit their waivers and supporting documentation electronically.*

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

*The information collected here is not available elsewhere due to the uniqueness of the collection.*

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. A small entity may be (1) a small business which is deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.

*Collection of this information does not impact 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.

*This is a one-time collection. If the information is not collected ED will not be able to calculate the special allowance payments as mandated by law.*

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 that 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.

*There are no special circumstances. The collection of this information will be conducted in accordance with the guidelines in 5 CFR 1320.6.*

8. As applicable, state that the Department has published the 60 and 30 Federal Register notices as 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

*ED partnered with the banking community to solicit questions that aided in the development of the waiver. The appropriate emergency/60-day Federal Register notice published for public comments.*

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

*There are no plans to 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. If personally identifiable information (PII) is being collected, a Privacy Act statement should be included on the instrument. Please provide a citation for the Systems of Record Notice and the date a Privacy Impact Assessment was completed as indicated on the IC Data Form. A confidentiality statement with a legal citation that authorizes the pledge of confidentiality should be provided. Requests for this information are in accordance with the following ED and OMB policies: Privacy Act of 1974, OMB Circular A-108 – Privacy Act Implementation – Guidelines and Responsibilities, OMB Circular A-130 Appendix I – Federal Agency Responsibilities for Maintaining Records About Individuals, OMB M-03-22 – OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, OMB M-06-15 – Safeguarding Personally Identifiable Information, OM:6-104 – Privacy Act of 1974 (Collection, Use and Protection of Personally Identifiable Information). If the collection is subject to the Privacy Act, the Privacy Act statement is deemed sufficient with respect to confidentiality. If there is no expectation of confidentiality, simply state that the Department makes no pledge about the confidentiality of the data.

*No assurance of confidentiality has been provided to respondents. The information collected here is available to the public under the Privacy Act of 1974 and the Freedom of Information Act.*

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 by affected public type (federal government, individuals or households, private sector – businesses or other for-profit, private sector – not-for-profit institutions, farms, state, local or tribal governments), frequency of response, annual hour burden, and an explanation of how the burden was estimated, including identification of burden type: recordkeeping, reporting or

third party disclosure. All narrative should be included in item 12. 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 the ROCIS IC Burden Analysis Table. (The table should at minimum include Respondent types, IC activity, Respondent and Responses, Hours/Response, and Total Hours)
- 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 be included in Item 14.

*The total annual burden has been determined to be approximately 3,000 hours. This was determined by multiplying the estimated number of annual respondents (75) times the number of responses per respondent (1) times the amount of time needed to collect, complete and review the information for accuracy (40 hours).*

<i>Number of Respondents</i>	<i>75</i>
<i>Frequency of Response</i>	<i><u>x1</u></i>
<i>Total Annual Responses</i>	<i>75</i>
<i>Hours per response</i>	<i><u>x40</u></i>
<i>Total Burden Hours</i>	<i>3,000</i>

*The estimated cost to the public will be approximately \$450,000. This was determined by multiplying the number of respondents (75) times the amount of hours it will take to collect, complete, review, submit, and maintain the waivers (40 hours), times an average hourly wage of \$150 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.)

*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.

*This collection will be processed by ED staff. It is estimated that cost to the Federal Government to review and maintain the submitted documentation will be \$11,250.*

15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency's control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion), type of collection (new, revision, extension, reinstatement with change, reinstatement without change) and include totals for changes in burden hours, responses and costs (if applicable).

*This is a one-time collection; there are no changes or adjustments.*

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 being 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 5 CFR 1320.9*