

PAPERWORK REDUCTION ACT CHANGE WORKSHEET

Agency/Subagency U.S. Department of Education/Federal Student Aid	OMB Control Number 1845-0014
Enter only items that change	
Current Record	New Record
Agency form number(s)	N/A
Annual reporting and record keeping hour burden	
Number of respondent	660,000
Total annual responses	660,000
Percent of these responses electronically collected	6%
Total annual hours	217,800
Difference	110,220
Explanation of difference	107,580
Program change adjustment	Greater use of electronics, streamlining of form, removal of income-driven repayment plans.
	N/A
Annual reporting and record keeping cost burden (in thousands of dollars)	
Total annualized capital/startup costs	0
Total annual costs (O&M)	0
Total annualized cost requested	0
Difference	0
Explanation of difference	0
Program change adjustment	0
Other change**	
<p>The collection currently approved under 1845-0014 is the <i>Repayment Plan Selection</i> (RPS form) for the William D. Ford Federal Direct Loan (Direct Loan) Program. Direct Loan borrowers use the RPS form to select an initial repayment plan before they enter repayment on their loans, or to request a change from their current repayment plan to a different repayment plan.</p> <p>Recently, the Department has undertaken to streamline and simplify the application process for all repayment plans, but in particular the income-driven repayment plans, which include the Income-Based Repayment plan, the Income-Contingent Repayment plan, and the newly regulated Pay As You Earn repayment plan. When the Department set out to combine and streamline the application process for the selection of income-driven repayment plans, our intent was to remove as much language as possible from the Direct Loan Repayment Plan Selection Form (1845-0014) relating to those plans, and place it exclusively in 1845-0102. This was to ensure that borrowers would only need to submit one form to request a repayment plan for all of their eligible loans. Indeed, when the Department submitted the Department specifically called out that burden with 1845-0102 was appearing to increase because it was "being combined with 1845-0014 to the extent that it contained information regarding" income-driven plans. This information was also reflected in the Supporting Statement that was made available to the public. Therefore, the Department specifically solicited public comment on our approach to 1845-0014. The public has had the opportunity to comment on the proposal, no comments have been received to date, and no comments are expected.</p> <p>The Department proposes to strip nearly all information out of 1845-0014 relating to the income-driven plans. Previously, more than one page was devoted to the income-driven plans, and that is no longer necessary information to the form. The only mention of the income-driven plans will be in passing, via a checkbox that will allow borrowers to indicate that they wish to repay their loans that are not eligible for an income-driven plan under another plan, which is a right available to borrowers under the Direct Loan regulations. The remaining changes to 1845-0014 that the Department proposes is to place information that was previously contained in a supplemental document that the Department made available in conduction with 1845-0014 in the form, itself. This supplemental document, called Repayment Plan Choices, contained general information about the various repayment plans, and helped borrower engage in the cost-benefit analysis that would help them decide which repayment plan was best for them. This document is not a collection, and, therefore, was never subject to public comment. However, the Department did solicit comment from stakeholders, such as loan servicers, loan holders, and Direct Loans schools in creating the document. The general information about the plans is now contained in Section 2 of revised 1845-0014. Sample repayment amounts are now contained in Section 6 of revised 1845-0014. The document called Repayment Plan Choices would be discontinued.</p> <p>These changes do have an impact upon burden, though as a reduction in burden. Between the increase in the number of Direct Loan borrowers, and the number of borrowers who selected a repayment plan that is separate from the default repayment plan, though the income-driven repayment plans have been stripped from this form, the Department estimate the total number of respondents will stay the same. In addition, as the federal loan servicers' computer systems have become more advanced, an increasing number of Direct Loan borrowers have been able to complete their request on the Web, which lessens the need to print and mail the form. Finally, through the</p>	

removal of the information related to the income-driven repayment plans, the hours per response has decreased to .167 hours (10 minutes). This yield an overall reduction in burden associated with 1845-0014 of nearly 50%, from 217,800 to 110,220.

Signature of Senior Official or designee:	Date:	For OIRA Use
	11/26/2012	----- -- ----- --

****This form cannot be used to extend an expiration date**

OMB 83-C