

This is a request for the revision of the OMB approval for the reporting and recordkeeping requirements contained in 34 CFR 601.10, 601.11, 601.20, 601.21, and 601.30 related to the administration of the Institution and Lender Requirements Relating to Education Loans. The information collections in these regulations are necessary to determine eligibility to receive program benefits and to prevent fraud and abuse of program funds.

Section 601.10 – Preferred lender arrangement disclosures.

The regulations require that a covered institution or an institution-affiliated organization of a covered institution that participates in a preferred lender arrangement must provide a variety of disclosures identified on the model disclosure form developed by the Secretary for each type of education loan that is offered pursuant to a preferred lender arrangement.

We estimate that on average, there will be 1 hour of additional burden per institution for the continued distribution of the Department’s model disclosure form. We estimate that each institution with a preferred lender list for which it compiles, maintains, and makes available the list and where the institution explains the terms and conditions of the loans, as well as the selection methodology and criterion of their selection to average 4 hours of burden.

1,757 institutions X 5 hours = 8,785 hours
Private Institutions: .56 X 8,785 hours = 4,920 hours

Section 601.11 – Private education loan disclosures and self-certification form.

The regulations require a covered institution, or an institution-affiliated organization of a covered institution, to provide to a prospective borrower private education loan disclosures. The information regarding private education loans must be presented in such a manner as to be distinct from information regarding Title IV, HEA program loans.

TILA Disclosures:
Burden to use the model disclosure form: 3 hours

1,757 institutions X 3 hours = 5,271 hours
Private Institutions: .56 X 5,271 hours = 2,952 hours

Completion and Distribution of TILA Disclosures:

3,666,960 private education loans X .33 hours = 1,210,097 hours
Private Institutions: .56 X 1,210,097 hours = 677,654 hours

Section 601.20 – Annual report.

The regulations require a covered institution, and an institution-affiliated organization that participates in a preferred lender arrangement to prepare and submit to the Secretary an annual report.

1,757 institutions X .25 hour = 439 hours
Private Institutions: .56 X 439 hours = 246 hours

Section 601.21 – Code of conduct.

The regulations require a covered institution that participates in a preferred lender arrangement to develop a code of conduct with respect to private education loans with which the institution’s agents must comply to prohibit a conflict of interest with the responsibilities of an agent of an institution with respect to private education loans.

We estimate that the average amount of time to maintain the required code of conduct to be 1.5 hours per institution.

1,757 institutions X 1.5 hours = 2,636 hours
Private Institutions: .56 X 2,636 = 1,476 hours

Section 601.30 – Duties of institutions.

The regulations require a covered institution participating in the William D. Ford Direct Loan Program to make the information identified in the model disclosure form developed by the Secretary available to students attending or planning to attend the institution, or the families of such students.

This section of the regulations deals with Direct Loan schools exclusively. The figures provided in this information collection are for Direct Loan schools as FFEL program loans are no longer being originated.

TOTALS
Responses 2,057,434
Respondents 984
Burden Hours 687,248