SUPPORTING STATEMENT

FOR PAPERWORK REDUCTION ACT SUBMISSION

National Student Loan Data System Data Collection

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[1]. 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.

Title IV, Part G of the Higher Education Act of 1965, as amended by the 1998 Amendments to the HEA (P.L. 105-244) section 485B, requires the Secretary of Education to establish a National Student Loan Data System (NSLDS) that contains information about Federal Family Education Loan (FFEL) Program loans, Federal Perkins loans (including National Direct Student Loans and National Defense Student Loans), William D. Ford Direct Student loans (Direct Loan), Federally Insured Student Loans (FISLs) and Federal Grants (including PELL, Academic Competitiveness Grants (ACG), National Science and Mathematics Access to Retain Talent (SMART) and Teacher Education Assistance for College and Higher Education (TEACH) Grants. NSLDS is used for research, policy analysis, monitoring student enrollment, identifying loan holders and servicers, calculating default rates, monitoring program participants, and verifying student aid eligibility.

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.

NSLDS collects data from the following sources:

- **Access and Identity Management System (AIMS)—** AIMS authorizes users to log in once to access multiple FSA systems. With AIMS, NSLDS users are able to access the

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[1] Please limit pasted text to no longer than 3 paragraphs.

NSLDS Professional Access Web site using their FSA User ID and password for identity authentication.

- **Central Processing System (CPS)**—CPS sends the NSLDS a daily prescreening feed identifying applicants for new or additional Title IV aid. The NSLDS returns to CPS financial aid history data for any applicant found in the NSLDS database. In addition, CPS submits demographic data on a daily basis. NSLDS loads the student demographic data into the database after a student/borrower has been created as a result of a data provider reporting title IV aid. The NSLDS notifies CPS when eligibility has changed using the postscreening process.

- **Common Origination and Disbursement (COD)—**COD sends the NSLDS a daily feed containing data on Federal Pell, ACG, and National SMART Grants.

- **Total and Permanent Disability (TPD)**—TPD sends the NSLDS a monthly file containing data on loans assigned to the Department of Education (ED) because borrowers have applied for debt forgiveness due to total and permanent disability. TPD reports permanent or conditional discharges or notifies the NSLDS that the loan has been returned to a non-disability status.

- **Debt Management and Collection System (DMCS)**—DMCS sends the NSLDS a weekly file containing data on all loans held by the Department of Education (ED) in the Debt Management and Collection System portfolio including FISLs, Perkins loans, FDLP loans, FFELP loans, and TEACH loans. It also sends ED-held overpayments and fraudulent grants.

- **ED Servicers** (Department contracted servicers)— ED Servicers send weekly data files containing data on FFELP loans that have been sold to the Department as well as FDLP loans and TEACH grants. ED Servicers, also known as federal loan servicers, include the original Title IV Additional Servicers (TIVAS) and Not For Profit (NFP) organizations.

- **E-mail**—The NSLDS sends e-mails to various users for various purposes. For example, late   enrollment notices are sent to schools; batch processing completion notices are sent to Federal Student Aid (FSA)/NSLDS members; new User ID notices are sent to Primary Destination Point Administrators (PDPAs); and so on. All NSLDS-originated e-mails are sent to ED's e-mail server, which then distributes them over the Internet.

- **Federal Student Aid Information Center (FSAIC)**—The NSLDS sends financial aid history data for any student/PLUS borrower found in the NSLDS database based on a "real time" request from FSAIC. This interface is to support the FSAIC Integrated Voice Response System (IVR).

- **Financial Management Systems (FMS)**—FMS sends the NSLDS a daily file that contains changes to the lender participation information as well as a quarterly file that contains changes to interest rates and special allowances. The NSLDS provides summarized data about new guarantees, cancellations, and disbursements that support the Loan Processing and Issuance Fee (LPIF) payments by FMS, as well as data about Outstanding Principal Balance (OPB) on open loans that support Account Maintenance Fee (AMF) payments by FMS. Additionally, FMS provides Treasury summary data for the Loan Purchase Program (PUT loans).

- **Financial Partners Data Mart (FPDM)—**The NSLDS sends monthly and annual feeds of selected summary loan data to FPDM.
  - **Guaranty Agencies (GAs)**—GAs, or their servicers, send the NSLDS at a minimum a monthly feed containing data on FFELP loans held by lenders or by the GA itself. A Web page on the NSLDSFAP Web site allows GAs to set their submittal schedules and view submittal details. In turn, the NSLDS sends Enrollment Reporting data to GAs on a weekly basis and it sends backup detail data for payment of LPIFs quarterly, and AMFs annually. The NSLDS also sends Reasonability data monthly and annually to GAs. GAs also have ad hoc reporting capabilities to submit any teacher loan forgiveness (TLF) data or information about loans that are partially or totally discharged for the NSLDS to store and display.

  - **Lenders/Lender Servicers**—Approved Lenders or Lender Services can access NSLDS information through the Web site. Loans that are sold from the FFELP to ED as part of the Loan Purchase Program (PUT loans) are provided weekly to NSLDS at the same time the data is being provided to FMS.

  - **Office of the Inspector General (OIG)—**The NSLDS sends data on a monthly basis to the OIG for purposes of populating the OIG–OIG Data Analytic System (ODAS) Data Warehouse. The data sent consist of both transactional data limited to changes that have occurred in select tables and non-transactional data that provide the entire content of tables.

  - **Ombudsman**—Ombudsman sends batches of student identifiers to the NSLDS, as needed. The NSLDS returns loan details.

  - **Participation Management (PM)**—PM sends the NSLDS daily files containing data on organizations and persons who have enrolled for NSLDS services. Files include organizations that will exchange batch files via SAIG with NSLDS and individuals who will access and perform functions on the [NSLDS Professional Access](#) Web site. NSLDS sends a daily file to PM containing information of Guaranty Agencies and Lenders/Lender Servicers received from FMS and school data received from the Postsecondary Education Participants System. The NSLDS also sends a file of users whose online access is to be deleted.

  - **Postsecondary Education Participants System (PEPS)**—PEPS sends the NSLDS a daily file of all schools, which is used to update the school tables. The NSLDS computes

draft and official cohort default rates. School, lender, and GA rates, as well as school-appealed rates, are sent to PEPS. The NSLDS also provides a means to convert Campus-Based School codes, FFEL School IDs, and Pell Institution codes, to Office of Postsecondary Education Identifiers (OPEIDs). The NSLDS provides ED users with a Web page detailing current school information.

- **Schools**—Schools, or their servicers, send the NSLDS data on Perkins loans on a monthly basis. Schools use the NSLDS Web site to report Pell, ACG, National SMART, TEACH, Perkins, and FSEOG overpayments. Student enrollment status is reported on a scheduled and an ad hoc basis as required by ED either via batch submission or online update. Schools participate in the Transfer Student Monitoring (TSM) process to supply and update a list of students identified as transferring from one institution to another during an academic year.

- **Student Aid Internet Gateway (SAIG)**—This is a private, wide area network (WAN) that serves as a store-and-forward file transfer service between the NSLDS and its many end users.

- **Student Personal Identification Number (PIN) Site**—Students making inquiries of the NSLDS student site are first directed to the PIN site for authentication.

 NSLDS users are from a variety of government and non-government organizations, as well as individuals including:

- Students;
- Congressional Budget Office (CBO);
- Department of Education headquarters and regional office employees and contractors;
- Office of Management and Budget (OMB);
- Guaranty agencies;
- Postsecondary schools; and
- Other independent researchers.

The data are collected and used for the following purposes:

- **Aid Overpayment**—The Web Aid Overpayment function allows data providers to update the NSLDS when a student owes or repays an overpayment on a Pell, ACG, National SMART, TEACH Grant, FSEOG, or Perkins loan. This function also facilitates the reporting of fraud by schools and DCS.

- **Audit Support**—Audits and risk assessments are supported by a combination of audit logs, audit reports, and Web queries.

- **Cohort Default Rate (CDR) Calculations**—The NSLDS calculates draft and official default rates for schools participating in FFELP and FDLP, lenders, and GAs. NSLDS stores the numerator, denominator, and backup detail, and processes appeal rates. The cohort default rates are made available to each organization through the NSLDS

[Professional Access](#) Web site. The school rates are made available to schools through the electronic CDR (eCDR) process. The NSLDS also calculates a draft and an official national default rate for each cohort year. Draft CDRs will be published in the winter and the official rates will be published in the summer of each year.

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- **Credit Reform Act Support** - The Credit Reform Act and related OMB circulars require the Department to identify loans by loan program, cohort year, and risk category. NSLDS is the Department's only source of this loan-level data. NSLDS makes available the data that ED's Budget Service requires for this purpose.

- **Customer Support**—NSLDS personnel from the Customer Service Center (CSC), Business Operations Support, Data Integrity Group (DIG), and Quality Assurance (QA) document, research, negotiate, and resolve NSLDS data conflicts. Customer help involves providing full service help to all NSLDS customers and authorized users. NSLDS customers and users include schools, guaranty agencies, lenders, FSA staff, FSA contractors, state agencies, and third party servicers. Users require technical assistance with all the required business services provided by NSLDS. Assistance topics include: website security; navigation of the website; updating data on the database; batch processing, which includes enrollment reporting, student transfer monitoring, data provider submittals, financial aid history requests, user reports/queries; and production control. NSLDS customers require a central source for resolving and negotiating data conflicts that impede awarding financial aid to students. Responding to the users requesting technical assistance as described above needs support from professionals with higher education financial aid experience. Additionally, research of these technical issues requires use of the NSLDS database and tools. International customers need to be able to contact NSLDS in the same manner as the continental United States customers. NSLDS is also required to provide customer help services to Spanish-speaking customers. The hours of availability for customer help need to reflect customer needs across United States time zones. Additional customer help includes providing formal training for ED staff on NSLDS, its functions and uses--in particular, how to query the database--as well as providing informal training for NSLDS customers in PC labs and sessions at various student financial aid conferences. Customer help also includes preparation of user documentation and assistance with interpreting the documentation.

- **Enrollment Reporting**—The NSLDS generates and sends Enrollment Reporting Rosters to schools. Schools or their servicers (often the National Student Clearinghouse) can respond to the reports by batch submission or by entering data online. The NSLDS then updates its database to reflect any changes in student enrollment status and forwards enrollment status change data to the loan-holding community.

- **Federal Emergency Management Agency (FEMA)**—The NSLDS provides an interface with FEMA for individuals affected by disasters. Through the application

process, disaster victims can apply for assistance on FEMA's Web site and will be given the opportunity to review their Federal Student Aid information that is stored in NSLDS. The interface takes applicants seamlessly to the NSLDS Student Access Web site where they must verify their identifiers and enter their PINs.

- **Online Loan Update**—The NSLDS allows approved GAs and designated ED users to update their loan data via the Web. This instantaneous update feature helps to reduce the turnaround time for problem resolution and error corrections.

- **Postscreening for Title IV Aid Eligibility**—The NSLDS postscreens Title IV aid applicants to identify those whose eligibility status has changed since the time of their original aid application. The process screens for default, overpayment, and fraud convictions, as well as loan eligibility criteria.

- **Preparation of Financial Aid History (FAH) Information**—The NSLDS generates FAH information and forwards it to CPS as part of the prescreening process. The NSLDS also generates FAH information outside the prescreening process in response to ad hoc requests from schools. These requests can be made online or by batch submittal, and are part of Transfer Student Monitoring. GA can make FAH requests by batch submittal and the returned data are restricted to borrowers with whom they hold or held a loan. The FAH information they receive contains only borrower and loan data. No grant information is included in the FAH for GAs.

- **Prescreening for Title IV Aid Eligibility**—The NSLDS prescreens all Free Application for Federal Student Aid (FAFSA) applicants for Title IV Aid to identify those applicants who are in default on an existing Title IV loan; who owe overpayments on Pell, ACG, National SMART Grants, TEACH Grants, FSEOGs, or Perkins loans; or who have come close to or exceeded aggregate loan limits.

- **Real Time Data Inquiries**—The NSLDS generates FAH information in response to "real time" requests from ED applications. The following applications use this functionality:
    – Direct Loan Exit Counseling using extensible markup language (XML)
    – FSAIC Integrated Voice Response (IVR) System

- **Repayment (Notional) Information**—The NSLDS provides schools summary and detail student repayment data for informational purposes.

- **Security Control**—ED and Contractor User IDs, and the access these IDs have to NSLDS resources, are maintained by the Systems Security Officer (SSO)/Alternate via the NSLDSFAP Web site.

- **Security Monitoring**—The NSLDS provides monitoring tools that an organization's Primary Destination Point Administrator (PDPA) and Federal Student Aid (FSA) can use to ensure that users are compliant with NSLDS rules of access. NSLDS systematically

monitors and provides e-mail notifications to PDPAs so they are alerted and can take the appropriate and necessary actions. NSLDS provides an ad-hoc Adobe PDF reporting capability to help monitor user activities, as well as reports delivered via SAIG mailboxes.

- **Transfer Student Monitoring**—The NSLDS receives school profile and transferring student information via Web pages and/or batch programs. It monitors each of these students for specific changes in loan and Pell, ACG, National SMART, and TEACH Grant status. The NSLDS reports these changes to schools via Web pages or batch programs. Alert e-mail is provided. NSLDS Customer Service and authorized FSA Program Compliance personnel have access to view a school's Web pages to provide support and oversight.

- **Web Inquiries**—The NSLDS provides Web access for schools, state grant agencies, eligible and approved GAs, lenders and lender services, students, and ED and its contractors to view NSLDS data. Depending on user access, the Web site also provides a list of reports that can be requested to receive organization-specific data from NSLDS. To help protect a student's/borrower's personally identifiable information (PII) data, NSLDS masks SSNs on Web pages. The NSLDS student web site was mandated by the 1998 amendments to the Higher Education Act of 1965. In accordance wit this mandate NSLDS provides students access to their own information stored in NSLDS.   In order to access their data, the student must have PIN, assigned through the FSA PIN web site.

- **Assessment of FFELP, FDLP, and Other Program Administration**—The NSLDS supplies data used in short- or long-term studies aimed at determining the effectiveness of particular loan program practices.

- **Audit and Program Review Planning**—The NSLDS supplies auditors and program reviewers with data on specific organizations and on key indicators used to schedule audits and program reviews for maximum effectiveness. ED's contractor supports various security audits.

- **Budget Analysis and Development**—NSLDS data on loan program performance are used to support assumptions for estimating the long-term budgets for the Federal student aid programs. These data are also used to answer budget-related questions and to support "what-if" analyses.

- **Freedom of Information Act (FOIA) requests**—The NSLDS completes FOIA requests when they meet established guidelines.

- **Loan Participation Program (LPP) –** NSLDS contains data regarding Custodian and Sponsor lending organizations that are part of the ECASLA enacted funding process that allows participation interest agreements with ED. NSLDS links loans on NSLDS with the Custodian or Sponsor records received from FMS.

- **Loan Transfer Tracking**—The NSLDS preserves historical data on loan holders and loan sales dates used to understand secondary market activity, identify potential problems

with loan program participants, assist borrowers in locating lenders or GAs associated with their loans, and assessing the administration and billing practices of Title IV loan programs.

- **Monitoring GA and Lender Financial Reporting for Reasonability**—The NSLDS supplies ED personnel with the detailed-level information needed to assess the reasonability of financial reporting from GAs and lenders based on changes in loan portfolios, loan status, loan balance information, and other loan details. The NSLDS performs monthly and annual reasonability calculations for GAs.

- **Payment Support of Loan Processing and Issuance Fees (LPIFs) and Account Maintenance Fees (AMFs) to GAs**—The NSLDS provides summarized data about new guarantees, cancellations, and disbursements that support the LPIF payment by FMS. The NSLDS also provides data about Outstanding Principal Balance (OPB) on open loans that support AMF payments by FMS.

- **Research Studies and Policy Development**—The NSLDS supports long-term research studies and short-term policy development by providing ED with current detailed and aggregated loan, grant, and student data. . NSLDS has been maintaining information about loans, grants, students, borrowers, lenders, GAs, schools, and servicers since 1994 for loans that were open as of October 1989. It provides an integrated view of federal loans and grants during all stages of their life cycle, which includes disbursement, repayment, default, and closure. The large amount of data collected over time has resulted in NSLDS' being used for many analytical functions including research, policy development, and program management and oversight. Users accessing data from NSLDS for research purposes include ED personnel, other federal agencies, guaranty agencies, lenders, schools, and independent researchers. Users accessing data from NSLDS for program management and oversight purposes include ED personnel only.

- NSLDS provides data to users through ad hoc queries, predefined reports, and extracts. Ad hoc queries range from simple queries, pertaining to a single student for relatively small amounts of data, to complex queries requiring NSLDS to summarize large amounts

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.

The Department of Education has selected an Information Engineering (IE) methodology using Computer Aided Systems Engineering (CASE) tools to design and maintain NSLDS. This enables the Department to provide and maintain verification and formatting software for most data providers (i.e., those who use MVS and MS/DOS operating systems). The Department

provides software specifications to data providers using other operating systems. In addition, the Department is accepting all data electronically to reduce the burden associated with data entry and forms handling.

The Department has enhanced the NSLDS web functionality to allow schools, and guaranty agency to update records in real time, performing the same editing used in batch updates.   This is especially useful for guaranty agencies when error's impacting a student's eligibility need to be quickly resolved. The web updating process includes importing and load data directly for a data provider PC or mainframe in to NSLDS web site.

The Department has also consulted extensively with the Community regarding system design to ensure that the design places the least possible burden on data providers for example; an extract-based approach for providing data to NSLDS was developed based upon input from schools and guaranty agencies, as well as upon design considerations. This includes allowing all data providers to establish their own reporting schedules to NSLD S (with monthly being the minimum) as long as it is provided within NSLDS reporting guidelines.   This offers the simplest requirement for data providers, while maximizing the potential for timely submission of accurate data from the community. Finally, taking advantage of the central NSLDS database to perform Enrollment Reporting and Transfer Student Monitoring streamlines these processes and enables schools that wish to automate their own processes to do so. Schools are able to update individual enrollment information through the NSLDS web site, streamlining the school's administration of enrollment tracking.

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 Department reviewed its existing Title IV systems to identify any instances where required data is already collected or maintained. In those cases, NSLDS either (a) takes the data from the existing system instead of levying additional burden on the community, or (b) replaces the existing data collection effort. One of the first significant reporting processes eliminated by NSLDS was the guaranty agencies requirement to report all FFEL loan volume on the   Annual Loan Tape Dumps. Additionally NSLDS is now used to calculate the loan guaranty, disbursement, and cancelation data once reported by guaranty agencies on the quarterly Guaranty Agency Financial Report Form. This provides the Department the loan level detail to support the payment of the Loan Processing and Issuance Fee agencies on the quarterly Guaranty Agency Financial Report reducing the agency's reporting burden.

As new regulations and laws are enacted NSLDS is used by the Department to collect additional data or provide oversight with minimal impact to schools, lenders and guaranty agencies.

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.

The Department has designed NSLDS to accommodate reporting through Personal Computer, which is the minimal equipment required to participate in Title IV Aid Programs. The Department provides software to data providers with the most common types of personal computers, which reduces the amount of burden on smaller organizations. The Department distributes Personal Computer software that can be used to develop the NSLDS extract for data providers without existing databases. In addition, the Department accepts data from any source (e.g., servicer, guaranty agency, school) designated by an organization, at the organization's request.

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.

The Department has worked with the financial aid community reporting to NSLDS to increase frequency in reporting. Internal systems, including Federal Loan Servicers, report to NSLDS weekly and 50 % of the guaranty agencies report more frequently than monthly will the remaining agencies and schools report at least monthly. Guaranty Agencies have the ability to update loan data in real time using the NSLDS on-line updating capabilities. This ensures that all of the functionality listed in item #2 are based on the most current data.   . This minimizes the amount of student aid that is awarded to students who are ineligible, as well as ensures that data corrections are received quickly for students whose aid applications have been erroneously rejected as a result of prescreening or post screening. Each day's delay in using accurate data to prescreen aid applications may represent a significant cost to the Government, especially with the implementation of 100% direct lending -.

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;

Many of the business functionalities in which the NSLDS data is used require the timely reporting of loan balances and loan statuses. Thus, Department held loans and grants are reported weekly, at least half of the guaranty agencies report more frequently monthly and the rest of the agencies and Perkins school report monthly.

- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

N/A

- requiring respondents to submit more than an original and two copies of any document;

N/A

- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;

N/A

- 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;

N/A

- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

N/A

- 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

N/A

- 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.

N/A

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.

The Department of Education consulted with guaranty agencies, through the National Council of Higher Education Loan Resources(NCHER), and schools, through a Financial Aid Administrators Advisory Panel and the Direct Loan Coalition. Annually NSLDS makes presentations at the Federal Student Aid Conferences, where ideas and concerns are solicited from attendees. NSLDS frequently sponsors webinars and participates in Federal Student Aid's quarterly software vendors conferences. The Department attends and conducts formal and informal meetings, presentations, question-and-answer sessions, and interviews with a variety of student aid community representatives and organizations. We addressed data availability, collection frequency, processing requirements, data elements to be reported, and data formats.

Substantive discussions continue with members of NCHER's Program Operations NSLDS Sub-Committee , meeting quarterly to discuss on going enhancements and issues. NSLDS regularly meets with focus groups and representatives from the schools. Representatives participate in regular meetings and conference calls with the Department and with the NSLDS contractor regarding data requirements and definitions and the NSLDS design. These representatives from NCHER and the schools consult with other members of the community and provide comments to the Department so that the widest possible insight from the financial aid community is brought into NSLDS design sessions.

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

There were no decisions to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.

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.[2] 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 confidentially of the data.

There were no assurances of confidentiality provided to respondents. The information collected here is available to the public under the Privacy Act of 1974.

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 nature in this collection of information.

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)

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[2] 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)

- 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.

Approximately 33 guaranty agencies and 1868 schools report to the NSLDS. The reporting burden for these organizations varies because of differences in size and function. Guaranty agencies' burden varies based on the number of loans each has guaranteed and upon the number of lenders from which they must obtain data. Guaranty agencies report only on FFEL Program loans. Schools' burden varies based on the number of students who have obtained Federal Perkins loans at each school. Also, approximately 8196 schools, that do not report Perkins loans, report various other data to NSLDS such as enrollment data and transfer student monitoring. Direct Loans, FFEL non-defaulted loans purchased by the Department and serviced by contractors, +Federal Grants, Department held Perkins Loans, and Defaulted loans held by the Department are all reported by internal Department Systems.

Generally, larger guaranty agencies and schools are more automated, but also have a large number of records to report. Smaller agencies and schools may use a service bureau for their processing, maintain only paper files, or use lower scale processing platforms such as microcomputers. Based on information received from NCHER and the FAA Advisory Panel, an entire spectrum of processing platforms are represented in their respective communities. The Department has estimated the range of burden hours per respondent to be 2 to 8 hours per response, with an average of 6 hours per response.

The Department estimated the loan-reporting burden as follows:
- The number of respondents is the number of guaranty agencies (33) plus the number of schools (1868), for a total of 1901.
- The number of responses for guaranty agencies range from one week to on month, but on average two times per month or 24 times a year. The number of responses for schools respondent is the number of months in the year (12).
- The total of annual responses on loan data is 23,178(36 x 24) + (1868 x 12).

The Department estimated the "other data" burden as follows:
- The total number of respondents is the number of Non-Perkins schools (8196)
- The number of responses ranges from every other month to every six months, but only mandated twice a year. The Department decided to use the mandated response of twice a year for estimating.
- The total annual responses to "other data" are 16,392 (8196 x 2).

The Department assumed that all guaranty agencies are large, but highly automated, relative to schools. The numbers of guaranty agencies have been reduced since the implementation of 100% direct lending. Therefore, we assumed 8 hours per response for the guaranty agencies.

We assumed that approximately 92% of the schools submitting Perkins loans (1794) will have data submitted by large, highly automated, servicers, so 4 burden hours were attributed to this group. We assumed that the remaining schools, or 74 schools, are medium-sized and we attributed slightly more burden hours (8) to this group to allow for internal process on microcomputer-based systems and some mainframes. We assumed approximately 88% of the schools submitting "other data" (6328) will have the data submitted by large, highly automated servicers, so 2 hours were attributed to this group.   We assumed the remaining schools, or 1868schools, are medium-sized and we attributed slightly more burden hours (6) to this group to allow for internal process.

We multiplied the total annual burden hours by the average burden hours to obtain the annual burden hours of 157,456. These calculations are presented below:

Respondent/Type	Number of respondents	Responses per month	Responses per Year	Average number or hours per response	Total Burden Hours
Guaranty Agencies	33	24	792	8	6,336
Services Schools – Perkins	1,794	12	21,528	4	86,112
Non-Serviced Schools – Perkins	74	12	2,088	8	16,704
Serviced Schools – "Other Data"	6,328	2 times per year	12,656	2	25,312
Non- Serviced Schools – "Other Data"	1,868	2 times per year	3,736	6	22,416
TOTAL	**10,097**		**40,800**		**156,880**

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 acquiring and maintaining 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. Also, these estimates should not include the hourly costs (i.e., the monetization of the hours) captured above in Item 12

Guaranty Agencies and Schools start up cost would have been in 1994 so should not be a part of this document .

Group 1
    Total Annualized Capital/Startup Cost   :   N/A
            Group 1 Recurring Costs:
             Cost Element   Amount
                CPU time for extract & edits
                .25 hours/week @ $1,000 $28,080.00
                Operations staff to schedule
                run & prepare data to transmit
                2 hours/week @ $30.00   6,739.00
                Error correction
                4 hours/week @ $30.00   22,464.00
                Total Group I Recurring Costs $57,283.00

        Group 2 Recurring Costs:
Total Annualized Capital/Startup Cost   :   N/A
                CPU time for extract & edits $0
                .25 hours/week @ $1,000.00 $0
                Operations staff to schedule
                run & prepare data to transmit
                2 hours/week @ $30.00 $6,739.00
                Error correction
                4 hours/week @ $30.00 $22,464.00

Total Group 2 Recurring Costs $29,203.00

                                 Total Respondents Cost $86,486.00

The above estimates were based on these assumptions:

- Due to the diversity of the respondents' environments, costs are divided into two groups.

- Group 1- shows the costs for the larger mainframe environments.

- Group 2- shows the costs for a smaller organization using a microcomputer as the processing platform.

- Costs are recurring costs.

- Cost per man-hour includes salary and overhead.

All Group 2 organizations have access to a microcomputer that is not billed by CPU hour.

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.

Cost Element   Amount

    Contract cost, including design,
    Development and operations For FY 12,
    FY 13, FY 14 $34,929,136

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).

The total burden hours of 156,880 have decreased in volume because of the impact of 100% direct lending. Federal Loan servicers are servicing more and more of the loans.

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.

This information is not intended for use as a statistical publication.

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 % CFR 1320.9