

SUPPORTING STATEMENT

RIN 1840-AD11

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.

On July 6, 2012, the President signed Moving Ahead for Progress in the 21st Century Act (MAP-21) into law. MAP-21 included two changes to the William D. Ford Federal Direct Loan (Direct Loan) Program. Specifically, MAP-21 amended section 455 of the Higher Education Act of 1954, as amended (HEA) to extend the 3.4 percent fixed interest rate that applies to Direct Subsidized Loans made to undergraduate students to loans for which the first disbursement is made before July 1, 2013. Second, the law placed a limit on Direct Subsidized Loan eligibility for new borrowers on or after July 1, 2013. Specifically, a new borrower on or after July 1, 2013 is no longer eligible to receive additional Direct Subsidized Loans if the period during which the borrower has received such loans exceeds 150 percent of the published length of the borrower's educational program. Additionally, the borrower becomes responsible for accruing interest on any Direct Subsidized Loan made to the borrower on or after July 1, 2013 if he or she is enrolled after reaching this 150 percent limit.

The Department is publishing interim final regulation implementing the changes to the Direct Loan Program made by MAP-21. These regulations contain information collection requirements of borrowers and institutions, as described below.

The manner in which the Department will be implementing the interim final regulations; specifically, §685.200(f), will require institutions to submit additional information to the COD System and NSLDS under the authority in §§685.301(e) and 685.309(b), respectively. Therefore, the collection requirements associated with §§685.301(e) and 685.309(b) will change as a result of this rulemaking. Although §§685.301(e) and 685.309(b) are not modified by this rulemaking, the burden associated with each provision will ultimately change as a result of this rulemaking and the analysis of the burden associated with those provisions will accompany this rulemaking. Section 685.304 also contains information collection requirements.

The interim final regulation in §685.200(f) provides that a borrower is not eligible to receive an additional Direct Subsidized Loan if the sum of the borrower's subsidized usage periods equals or exceeds the borrower's maximum eligibility period. The interim final regulation also provides different rules for borrowers who are enrolled in teacher certification programs for which the institution awards no academic credential, preparatory coursework necessary for

enrollment in an undergraduate program, and preparatory coursework necessary for enrollment in a graduate or professional program.

The Department will determine whether the borrower has continued eligibility for Direct Subsidized Loans. To ensure that the Department has the information necessary to make that determination, institutions will be required to report additional information to the Department's COD System. For example, institutions will be required to report: the program's Classification of Instructional Programs (CIP) Code; the credential level of each program; the length of the program for which the loan is intended; the enrollment status of the borrower at the time the loan is disbursed; whether a loan is for a teacher certification program for which the institution awards no academic credential; whether a loan is for preparatory coursework necessary for enrollment in an undergraduate program; and whether the loan is for preparatory coursework necessary for enrollment in a graduate or professional program.

These data will allow the Department to calculate the borrower's maximum eligibility period, subsidized usage period, and remaining eligibility period as described in §685.200(f)(1)(ii)-(f)(1)(iv), determine whether the borrower is eligible to receive an additional Direct Subsidized Loan, and ensure that borrowers do not receive Direct Subsidized Loans if they are no longer eligible to receive a Direct Subsidized Loan under §685.200(f)(2).

The Department will determine whether the borrower is responsible for accruing interest on their previously received Direct Subsidized Loans. To ensure that the Department has the information to necessary to make that determination, institutions will be required to report additional information to NSLDS. For example, institutions will be required to report: the CIP code and the credential level for the program in which a borrower is enrolled; the length of the program in academic years, weeks, or months (consistent with current institutional reporting in the COD System); and a more detailed enrollment status of the borrower (e.g., full-time, three-quarter-time, half-time, or less-than-half-time).

These data will allow the Department to determine whether a borrower who is not eligible for additional Direct Subsidized Loans is responsible for accruing interest on his or her previously received Direct Subsidized Loans.

The regulations implement a new statutory requirement that significantly limits a borrower's eligibility for Direct Subsidized Loans and potentially results in the borrower becoming responsible for accruing interest on existing Direct Subsidized Loans. Under section 485(l) of the HEA, which requires that borrowers be provided with entrance and exit counseling on the provisions governing federal student aid, institutions will be required to revise the entrance and exit counseling provided to borrowers.

For entrance counseling, the added counseling requirements under §685.304(a)(6)(xiii) will require institutions to explain: (1) the limitation on eligibility for Direct Subsidized Loans and the possibility that the borrower will become responsible for accruing interest, as described in §685.200(f); (2) the possible loss of eligibility for additional Direct Subsidized Loans; (3) how a borrower's maximum and remaining eligibility periods and subsidized usage period are

determined; (4) the possible borrower responsibility for accruing interest on previously received Direct Subsidized Loans; (5) the borrower's responsibility for payment of all accruing interest on Direct Subsidized Loans during in-school, grace, and periods of authorized deferment; (6) and the impact of borrower responsibility for accruing interest on the borrower's total debt.

For exit counseling, the requirements added under new §685.304(b)(4)(xii) will require institutions to explain:(1) how maximum and remaining periods of eligibility and subsidized usage periods are determined under §685.200(f); (2) the sum of the borrower's subsidized usage periods, as determined under §685.200(f)(1)(iii) following enrollment in or completion of the borrower's most recent educational program; (3) the consequences of continued borrowing or enrollment, including the possible loss of eligibility for additional Direct Subsidized Loans and the possibility that the borrower could become responsible for accruing interest on previously received Direct Subsidized Loans and the portion of a Direct Consolidation Loan that repaid a Direct Subsidized Loan, even during in-school periods, grace periods and periods of deferment, as described in §685.200(f); (4) the impact of the borrower becoming responsible for accruing interest on total student debt; (5) that the Secretary will inform the student borrower of whether he or she has become responsible for accruing interest on his or her Direct Subsidized Loans; (6) and that the borrower can access NSLDS to determine whether the borrower has become responsible for accruing interest on his or her Direct Subsidized Loans, as provided in §685.200(f)(3).

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 Department will use the additional information reported to the COD System to determine whether the borrower has remaining eligibility for Direct Subsidized Loans under the new regulations at §685.200(f). Similarly, the Department will use the additional information reported to NSLDS to determine whether the borrower will become responsible for accruing interest on previously received Direct Subsidized 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 given to using technology to reduce burden.

All information being collected as part of this collection is only submitted by institutions electronically, and in a highly automated format.

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.

Though institutions will be required to report similar information to different systems as a result of this collection, the information, itself, is not duplicative. The information that will be reported to the COD System will be true as of the time the Direct Loan is disbursed. The information that will be reported to NSLDS will be true as of the time that the institution reports on the student's enrollment.

This information is not available from other sources.

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.

No small businesses are impacted by this collection.

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 information was not collected or was not collected on an as-frequent basis, the Department would be unable to administer the Direct Loan Program in a manner that complies with the new statutory provisions created by MAP-21.

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.

Special Circumstances Governing Data Collection

This requirement is consistent with the guidelines in 5 CFR 1302.5(d)(2).

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.

Because the regulations associated with this collection were published as an interim final rule, the public had no prior opportunity to comment on the regulations and associated burden. Furthermore, because the collection was initially cleared through emergency procedures outlined in 5 CFR 1320.13, the public had no prior opportunity to comment on the collection.

However, the Department is now providing the public an opportunity to comment on the collection requirements through the routine 60-day and 30-day comment periods.

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

Payments or Gifts to Respondents

No payments or gifts will be provided to the respondents.

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

These requirements do not cover any confidential information.

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.

The Department is not requesting any sensitive data.

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 be included in Item 14.**

Annual Hour Burden for Respondents/Recordkeepers

Section 685.301(e)--COD Reporting Requirements by Institutions

Section 685.301(e) provides that institutions originating and disbursing loans under the Direct Loan Program must report a student's "payment data" to the Secretary. The term "payment data" is defined in 34 CFR 685.102(b) to mean "an electronic record that is provided to the Secretary by an institution showing student disbursement information". The Department has implemented this provision by requiring that institutions electronically report student and Direct Loan information to the COD System. The new regulation in §685.200(f) provides that a borrower is not eligible to receive an additional Direct Subsidized Loan if the sum of the borrower's subsidized usage periods equals or exceeds the borrower's maximum eligibility period. The new regulation also provides different rules for borrowers who are enrolled in teacher certification programs for which the institution awards no academic credential, preparatory coursework necessary for enrollment in an undergraduate program, and preparatory coursework necessary for enrollment in a graduate or professional program.

The Department will determine whether the borrower has continued eligibility for Direct Subsidized Loans. To ensure that the Department has the information necessary to make that determination, institutions will be required to report additional information to the Department's COD System. For example, institutions will be required to report: the program's Classification of Instructional Programs (CIP) Code; the credential level of each program; the length of the program for which the loan is intended; the enrollment status of the borrower at the time the loan is disbursed; whether a loan is for a teacher certification program for which

the institution awards no academic credential; whether a loan is for preparatory coursework necessary for enrollment in an undergraduate program; and whether the loan is for preparatory coursework necessary for enrollment in a graduate or professional program.

These data will allow the Department to calculate the borrower's maximum eligibility period, subsidized usage period, and remaining eligibility period as described in §685.200(f)(1)(ii)-(f)(1)(iv), determine whether the borrower is eligible to receive an additional Direct Subsidized Loan, and ensure that borrowers do not receive Direct Subsidized Loans if they are no longer eligible to receive a Direct Subsidized Loan under §685.200(f)(2).

To estimate the total increase in burden imposed on institutions of higher education, the Department estimated the average number of reports that each institution submitted to COD each business day (by institutional type, i.e., public, private, proprietary). We based our calculations of estimated burdens on a 248 business-day year (365 days, less 104 weekend days and 13 Federal holidays) and that institutions submit data in large batches, not separately, for each individual borrower. We estimate that the additional reporting will add 1 minute (0.02 hours) of additional burden per report.

Of the 5,847 institutions that disbursed Direct Loans during the most recently completed award year, 1,933 of them are public institutions. The average number of reports per day that public institutions submit is 2.73. We further estimate that additional reporting will add 26,174 hours (1,933 institutions multiplied by 248 business days, multiplied by 2.73 reports per day, multiplied by 0.02 hours per report).

Of the 5,847 institutions that disbursed Direct Loans during the most recently completed award year, 1,750 of them are private, not-for-profit institutions. The average number of reports per day that private, not-for-profit institutions submit is 1.29. We estimate that additional reporting will add 11,197 hours (1,750 institutions multiplied by 248 business days, multiplied by 1.29 reports per day, multiplied by 0.02 hours per report).

Of the 5,847 institutions that disbursed Direct Loans during the most recently completed award year, 2,164 of them are proprietary institutions. The average number of reports per day that proprietary institutions submit is 0.84. We further estimate that additional reporting will add 9,016 hours (2,164 institutions multiplied by 248 business days, multiplied by 0.84 reports per day, multiplied by 0.02 hours per report).

Collectively, as a result of the new reporting requirements created for public, private and proprietary institutions, the total burden associated with §685.301(e), under 1845-NEW1, will increase by 46,387 hours (26,174 hours for public institutions + 11,197 hours for private, not-for-profit institutions + 9,016 hours for proprietary institutions).

3. 34 CFR 685.301(e) - additional reporting to the COD
System

Individuals

Private Sector

Business or other for-profits

Proprietary institutions - additional reporting to the COD System	34 CFR 685.301(e)	2,164	450,804	0.02	9,016
Not-for profits					
Not-for-profit institutions - additional reporting to the COD System	34 CFR 685.301(e)	1,750	559,860	0.02	11,197
State, Local, or Tribal Governments					
Public institutions - additional reporting to the COD System	34 CFR 685.301(e)	1,933	1,308,718	0.02	26,174
TOTAL 34 CFR 685.301(e) - additional reporting to the COD System		5,847	2,319,383		46,388

Section 685.309(b)--NSLDS Enrollment Reporting by Institutions

Section 685.309(b) provides that eligible institutions that enroll a Direct Loan borrower must report information about the borrower’s enrollment to the Secretary. The Department has implemented these provisions by requiring institutions to electronically report, at least twice per year, student and loan information to NSLDS. The new Direct Subsidized Loan regulations in §685.200(f)(3) provide that a borrower becomes responsible for accruing interest on any Direct Subsidized Loans he or she previously received if, after the borrower meets or exceeds his or her maximum eligibility period, the borrower enrolls in an undergraduate program of equal or shorter duration than the program on which their maximum eligibility period was previously based. The new regulations also provide specific rules for borrowers who are enrolled in teacher certification programs for which the institution awards no academic credential, preparatory coursework necessary for enrollment in a graduate or professional program, and programs for which borrowers are not otherwise eligible for Direct Subsidized Loans .

The Department will determine whether the borrower is responsible for accruing interest on their previously received Direct Subsidized Loans. To ensure that the Department has the information to necessary to make that determination, institutions will be required to report additional information to NSLDS. For example, institutions will be required to report: the CIP code and the credential level for the program in which a borrower is enrolled; the length of the program in academic years, weeks, or months (consistent with current institutional reporting in the COD System); and a more detailed enrollment status of the borrower (e.g., full-time, three-quarter-time, half-time, or less-than-half-time).

These data will allow the Department to determine whether a borrower who is not eligible for additional Direct Subsidized Loans is responsible for accruing interest on his or her previously received Direct Subsidized Loans.

To estimate the total increase in burden imposed on institutions of higher education due to the new reporting requirements under §685.309(b), we divided institutions into two groups--institutions that use enrollment servicers, which are more automated and take less time to

report enrollment to the Department, and institutions that do not use enrollment servicers and therefore take longer to report enrollment to the Department. We assumed that each institution that reports enrollment does so twice per year (as minimally required). We estimate that the additional reporting will, for institutions using an enrollment servicer, add 0.25 hours of burden per report. For institutions that do not use an enrollment servicer, we estimate that the additional reporting will add 0.5 hours of additional burden per report.

Of the 8,186 institutions that reported enrollment information during the most recently completed award year, 2,710 of them are public institutions. Of the 2,710 public institutions, 2,092 use enrollment servicers. For the 2,092 public institutions that use enrollment servicers, we estimate that additional reporting will add 1,046 hours (2,092 institutions multiplied by 0.25 additional hours per report, multiplied by 2 reports per year).

Of the 8,196 institutions that reported enrollment information during the most recently completed award year, 2,453 of them are private, not-for-profit institutions. Of the 2,453 private, not-for-profit institutions, 1,894 use enrollment servicers. For the 1,894 private, not-for-profit institutions that use enrollment servicers, we estimate that additional reporting will add 947 hours (1,894 institutions multiplied by 0.25 additional hours per report, multiplied by 2 reports per year).

Of the 8,196 institutions that reported enrollment information during the most recently completed award year, 3,033 of them are proprietary institutions. Of the 3,033 proprietary institutions, 2,342 use enrollment servicers. For the 2,342 proprietary institutions that use enrollment servicers, we estimate that additional reporting will add 1,171 hours (2,342 institutions multiplied by 0.25 additional hours per report, multiplied by 2 reports per year).

Of the 8,186 institutions that reported enrollment information during the most recently completed award year, 2,710 of them are public institutions. Of the 2,710 institutions, 618 of them do not use enrollment servicers. For the 618 public institutions that do not use enrollment servicers, we estimate that additional reporting will add 618 hours (618 institutions multiplied by 0.5 additional hours per report, multiplied by 2 reports per year).

Of the 8,196 institutions that reported enrollment information during the most recently completed award year, 2,453 of them are private, not-for-profit institutions. Of the 2,453 private, not-for-profit institutions, 559 of them do not use enrollment servicers. For the 559 private, not-for-profit institutions that do not use enrollment servicers, we estimate that additional reporting will add 559 hours (559 institutions multiplied by 0.5 additional hours per report, multiplied by 2 reports per year).

Of the 8,196 institutions that reported enrollment information during the most recently completed award year, 3,033 of them are proprietary institutions. Of the 3,033 proprietary institutions, 691 of them do not use enrollment servicers. For the 691 proprietary institutions that do not use enrollment servicers, we estimate that additional reporting will add 691 hours (691 institutions multiplied by 0.5 additional hours per report, multiplied by 2 reports per year).

Collectively, as a result of the new reporting requirements, the total burden associated with §685.309(b), under 1845-NEW1, will be increased by 5,032 hours (1,046 hours for public institutions using enrollment servicers + 947 hours for private, not-for-profit institutions using enrollment servicers + 1,171 hours for proprietary institutions using enrollment servicers + 618 hours for public institutions not using enrollment servicers + 559 hours for private, not-for-profit institutions not using enrollment servicers + 691 hours for proprietary institutions that do not use enrollment servicers).

4. 34 CFR 685.309(b) - additional reporting to NSLDS
Individuals

Private Sector

Business or other for-profits

Proprietary institutions - additional reporting to NSLDS - institution uses enrollment servicer	34 CFR 685.309(b)	2,342	4,684	0.25	1,171
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Proprietary institutions - additional reporting to NSLDS - institution does not use enrollment servicer	34 CFR 685.309(b)	691	1,382	0.50	691
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Not-for profits

Not-for-profit institutions - additional reporting to NSLDS - institution uses enrollment servicer	34 CFR 685.309(b)	1,894	3,788	0.25	947
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Not-for-profit institutions - additional reporting to NSLDS - institution does not use enrollment servicer	34 CFR 685.309(b)	559	1,118	0.50	559
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State, Local, or Tribal Governments

Public institutions - additional reporting to NSLDS - institution uses enrollment servicer	34 CFR 685.309(b)	2,092	4,184	0.25	1,046
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Public institutions - additional reporting to NSLDS - institution does not use enrollment servicer	34 CFR 685.309(b)	618	1,236	0.50	618
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TOTAL 34 CFR 685.309(b) - additional reporting to NSLDS		8,196	16,392		5,032
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Section 685.304 – Entrance and Exit Counseling for Borrowers by Institutions

The regulations implement a new statutory requirement that significantly limits a borrower's eligibility for Direct Subsidized Loans and potentially results in the borrower becoming responsible for accruing interest on existing Direct Subsidized Loans. Under section 485(l) of the HEA, which requires that borrowers be provided with entrance and exit counseling on the

provisions governing federal student aid, institutions will be required to revise the entrance and exit counseling provided to borrowers.

For entrance counseling, the added counseling requirements under §685.304(a)(6)(xiii) will require institutions to explain: (1) the limitation on eligibility for Direct Subsidized Loans and the possibility that the borrower will become responsible for accruing interest, as described in §685.200(f); (2) the possible loss of eligibility for additional Direct Subsidized Loans;(3) how a borrower's maximum and remaining eligibility periods and subsidized usage period are determined; (4) the possible borrower responsibility for accruing interest on previously received Direct Subsidized Loans; (5) the borrower's responsibility for payment of all accruing interest on Direct Subsidized Loans during in-school, grace, and periods of authorized deferment; (6) and the impact of borrower responsibility for accruing interest on the borrower's total debt.

For exit counseling, the requirements added under new §685.304(b)(4)(xii) will require institutions to explain:(1) how maximum and remaining periods of eligibility and subsidized usage periods are determined under §685.200(f); (2) the sum of the borrower's subsidized usage periods, as determined under §685.200(f)(1)(iii) following enrollment in or completion of the borrower's most recent educational program; (3) the consequences of continued borrowing or enrollment, including the possible loss of eligibility for additional Direct Subsidized Loans and the possibility that the borrower could become responsible for accruing interest on previously received Direct Subsidized Loans and the portion of a Direct Consolidation Loan that repaid a Direct Subsidized Loan, even during in-school periods, grace periods and periods of deferment, as described in §685.200(f); (4) the impact of the borrower becoming responsible for accruing interest on total student debt; (5) that the Secretary will inform the student borrower of whether he or she has become responsible for accruing interest on his or her Direct Subsidized Loans; (6) and that the borrower can access NSLDS to determine whether the borrower has become responsible for accruing interest on his or her Direct Subsidized Loans, as provided in §685.200(f)(3).

The burden associated with entrance and exit counseling is two-fold, there is burden on borrowers, who are required to complete entrance counseling by virtue of their participation in the Title IV loan programs and there is burden on institutions, which are required to provide counseling to such borrowers.

We estimate that each entrance counseling interview will take 2 additional minutes (0.03 hours) per borrower to complete and estimated that number of borrowers who took entrance counseling in the last award year as 2,723,751. Therefore, we estimate that burden will increase by 81,713 hours (2,723,751 borrowers multiplied by 1 interview per borrower multiplied by 0.03 additional hours per interview).

We estimate that, for all institutions, the additional entrance counseling requirements will add 1 hour of burden per institution to incorporate new material into their counseling and implement new counseling procedures. Of the 5,847 institutions that are required to perform entrance counseling, 1,933 are public institutions, 1,750 are private, not-for-profit institutions,

and 2,164 are proprietary institutions. For the 1,933 public institutions, we estimate that burden will increase by 1,933 hours (1,933 institutions multiplied by 1 hour). For the 1,740 private, not-for-profit institutions, we estimate that burden will increase by 1,750 hours (1,750 institutions multiplied by 1 hour). Of the 2,164 proprietary institutions, we estimate that burden will increase by 2,164 hours (2,164 institutions multiplied by 1 hour). Collectively, we estimate that the total burden created for institutions of higher education to provide the added entrance counseling is 5,847 hours (1,933 hours + 1,750 hours + 2,164 hours).

We estimate that each exit counseling interview will take an additional 3 minutes (0.05 hours) per borrower to complete and estimated the 2,699,275 borrowers took exit counseling in the most recently completed award year. Therefore, we estimate that burden will increase by 134,964 hours (2,699,275 borrowers multiplied by 1 interview per borrower multiplied by 0.05 additional hours per interview).

Of the 5,847 institutions, 1,933 are public institutions, 1,750 are private, not-for-profit institutions, and 2,164 are proprietary institutions. We estimate that, for all institutions, the additional exit counseling requirements will add 1.5 hours of burden per institution to incorporate new material into their counseling and implement new counseling procedures. For the 1,933 public institutions, we estimate that burden will increase by 2,900 hours (1,933 institutions multiplied by 1.5 hours). For the 1,750 private, not-for-profit institutions, we estimate that burden will increase by 2,625 hours (1,750 institutions multiplied by 1.5 hours). Of the 2,164 proprietary institutions, we estimate that burden will increase by 3,246 hours (2,164 institutions multiplied by 1.5 hours). The total burden created for institutions of higher education to provide the added exit counseling is 8,771 hours (2,900 hours + 2,625 hours + 3,246 hours).

Collectively, under 1845-NEW1 the new entrance and exit counseling regulatory requirements in section 685.304, will add 231,322 hours ([81,713 + 134,964 for borrowers] + [5,847 + 8,771 hours for institutions]) of additional burden on institutions and borrowers.

1. 34 CFR 685.304(a)(6)(xii) - entrance counseling explaining new provisions

Individuals

Students receiving entrance counseling explaining new provisions

34 CFR 685.304(a)(6)(xii)	2,723,751	2,723,751	0.03	81,713
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Private Sector

Business or other for-profits

Proprietary institutions - provide entrance counseling to students explaining new provisions

34 CFR 685.304(a)(6)(xii)	2,164	2,164	1.00	2,164
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Not-for profits

Not-for-profit institutions - provide entrance counseling to students explaining new provisions

34 CFR 685.304(a)(6)(xii)	1,750	1,750	1.00	1,750
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State, Local, or Tribal Governments					
Public institutions - provide entrance counseling to students explaining new provisions					
	34 CFR 685.304(a)(6)(xii)	1,933	1,933	1.00	1,933
TOTAL 34 CFR 685.304(a)(6)(xii) - exit counseling explaining new provisions					
		2,729,598	2,729,598		87,560
2. 34 CFR 685.304(b)(6)(xii) - exit counseling explaining new provisions					
Individuals					
Students receiving exit counseling explaining new provisions					
	34 CFR 685.304(b)(4)(xii)	2,699,275	2,699,275	0.05	134,964
Private Sector					
Business or other for-profits					
Proprietary institutions - provide exit counseling to students explaining new provisions					
	34 CFR 685.304(b)(4)(xii)	2,164	2,164	1.50	3,246
Not-for profits					
Not-for-profit institutions - provide exit counseling to students explaining new provisions					
	34 CFR 685.304(b)(4)(xii)	1,750	1,750	1.50	2,625
State, Local, or Tribal Governments					
Public institutions - provide exit counseling to students explaining new provisions					
	34 CFR 685.304(b)(4)(xii)	1,933	1,933	1.50	2,900
TOTAL 34 CFR 685.304(b)(6)(xii) - exit counseling explaining new provisions					
		2,705,122	2,705,122		143,734

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.**

Total Annualized Capital/Startup Cost	: 0
Total Annual Costs (O&M)	: 0
<hr/>	
Total Annualized Costs Requested	: 0

Start-Up Cost Burden to the Respondents

There is no new system start-up costs associated with these proposed regulations.

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.

Estimated Annual Cost to the Federal Government

There are no additional costs to the Federal government as a result of these regulations.

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

Reasons for Changes to Burden Hour Estimated

This is a new collection. The burden hours calculated below include time for reviewing the change in regulations; for determining the method and means to incorporate changes; develop or update systems and forms and formats for gathering the required information; and to prepare the required reports. The regulatory changes in §685.200(f) cause changed to

reporting. The regulatory changes in §685.304 require increased counseling of students by institutions.

	# of Respon ds	# of Responses	Total Hours
TOTAL 34 CFR 685.304(a)(6)(xii) - entrance counseling explaining new provisions	2,729,598	2,729,598	87,560
TOTAL 34 CFR 685.304(b)(4)(xii) - exit counseling explaining new provisions	2,705,122	2,705,122	143,734
TOTAL 34 CFR 685.301(e) - additional reporting to the COD System	5,847	2,319,383	46,388
			5,032
TOTAL 34 CFR 685.309(b) - additional reporting to NSLDS	8,196	16,392	
Total	5,448,763	7,770,495	282,713
CURRENT INVENTORY`			
Current # of Respondents	0		
Current # of Responses		0	
Current Inventory of Hours			0
REVISED # OF RESPONDENTS	5,448,763		
REVISED # OF RESPONSES		7,770,495	
REVISED # OF BURDEN HOURS			282,713
TOTAL # RESPONDENTS	5,448,763		
TOTAL # RESPONSES		7,770,495	
TOTAL # HOURS			282,713
Difference			282,713

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.

Collection of Information with Published Results

The results of the collection of information will not be published.

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.

Approval to Not Display Expiration Date

The Department is not seeking this approval. The OMB control number and expiration date will be announced in the Federal Register upon OMB approval and will also be displayed on the *Electronic Application for Approval to Participate in Federal Student Financial Aid Programs*.

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

Exception to the Certification Statement

The Department is not requesting any exceptions to the “Certification of Paperwork Reduction Act Submissions”.