

The Higher Education Act of 1965, as amended (HEA), established the Federal Perkins Loan Program (Perkins Loan). The Perkins Loan program provides low cost Title IV, HEA loans for eligible students to pay the costs of a student's attendance at an eligible institution of higher education. The regulations implementing the Perkins Loan Program are in 34 CFR Part 674.

Section 674.19

For the Federal Perkins Loan Program, the proposed regulations would add a new §674.19(f) with the heading “enrollment reporting process.” Proposed §674.19(f) would provide that upon receipt of an enrollment report from the Secretary, an institution must update all information included in the report and return the report to the Secretary in the manner and format prescribed by the Secretary and within the timeframe prescribed by the Secretary. Because the Secretary already receives enrollment reporting information on Federal Perkins Loan borrowers who also have a FFEL loan or a Direct Loan, the additional burden associated with sending enrollment reports to institutions for the Federal Perkins Loan Program is only associated with those Federal Perkins Loan borrowers whose only loan received under title IV of the HEA is a Federal Perkins Loan and who are enrolled on at least a half-time basis.

School Enrollment Status Reporting Requirements

In the 2011 calendar year, there were 2,070,514 Federal Perkins Loan borrowers. Of the 2,070,514 Federal Perkins Loan borrowers, 240,959 borrowers have a Federal Perkins Loans as the only loan received under title IV of the HEA. Of the 240,959 borrowers, 53 percent (127,708 borrowers) were enrolled on at least a half-time basis or had recently changed enrollment status. The Secretary will be sending enrollment reports to each of the institutions approximately every 60 days or 6 reports per year. We estimate that on average the completion and submission of an enrollment report would take .05 hours (3 minutes) per borrower. Burden would increase by 38,312 hours (127,708 borrowers multiplied by .05 hours per borrower multiplied by 6 reports per year) under OMB Control Number 1845-0019.

For the 2011 calendar year 51 percent of the Federal Perkins loan borrowers were at public institutions, therefore we estimate that burden would increase for public institutions by 19,539 hours (38,312 multiplied by .51) under OMB 1845-0019.

Section 674.34

Under proposed §674.34, institutions that participate in the Perkins Loan program (or their servicers) would be required to use the same eligibility criteria that lenders and the Department use in the FFEL and Direct Loan programs, respectively, to define an eligible graduate fellowship program and to establish the eligibility of a Perkins Loan borrower for a graduate fellowship deferment. The proposed regulations would require that a borrower provide the institution with a statement from an authorized official of the borrower's graduate fellowship program certifying that the borrower holds at least a bachelor's degree and the borrower's anticipated completion date of the program.

Deferment of Repayment – Federal Perkins Loans

For the 2011 calendar year 51 percent of the Federal Perkins loan borrowers or 563 affected borrowers were at public institutions, therefore we estimate that burden would increase for public institutions by 141 hours (276 hours multiplied by .51) under OMB 1845-0019.

TOTALS

Responses 65,694

Respondents 65,694

Burden Hours 19,680