

SUPPORTING STATEMENT

FOR PAPERWORK REDUCTION ACT SUBMISSION

FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM REGULATIONS

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 section¹. 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.

The Department is requesting a revision of the current information collection. The proposed Federal Family Education Loan (FFEL) Program regulations revise the current regulations for program administration as described below. First, the proposed regulations indicate the regulatory changes made in the provisions related to forbearance, reasonable and affordable loan rehabilitation, and administrative wage garnishment along with the associated changes in burden. Additionally, we describe a series of proposed regulatory changes that removes unneeded FFEL regulations that are no longer required as a result of the Student Aid and Fiscal Responsibility (SAFRA) Act that was included in the Health Care and Reconciliation Act of 2010 (HCERA), which as of July 1, 2010, terminated the authority for lenders to make new loans under the FFEL program. Both of these circumstances require a change in the current burden hours.

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 current information collection allows for the borrowers and loan holders to ensure the proper administration of the FFEL Program, including borrower benefits such as deferments and payment options, as well as, loan holder requirements for servicing and collections. The proposed regulations provide for oral acknowledgements and agreements to repay a defaulted FFEL loan through forbearance. Other proposed provisions include the burden associated with loan holder processing of reasonable and affordable loan rehabilitation agreements, as well as, proposed revisions to administrative wage garnishment provisions.

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

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 processes involved to implement the proposed regulations related to forbearance, reasonable and affordable loan rehabilitation agreements, and the proposed revisions to administrative wage garnishment provisions are primarily paper and pencil processes.

Most of the remaining proposed changes result from the elimination of unnecessary FFEL regulations and are not electronically or technologically driven.

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 current requirements are minimal and avoid duplication. There is no similar information available that can be used or modified for this purpose at this time.

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.

No small businesses are affected by this information 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.

Most of the proposed changes to the FFEL regulations would specifically be to reduce burden through the elimination of unnecessary regulations.

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.

The collection of this information will continue to be conducted in a manner that is consistent with the guidelines in 5 CFR 1320.6.

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 proposed regulations were developed through the Negotiated Rulemaking process where the public provided its input and in consultation with schools, and a variety of professional associations and other interested parties. The comment period for the burden associated with these proposed regulations will run concurrently with the comment period for the proposed regulations. Although OMB has up to 60 days to approve the ICR, it is recommended that the public comment on the ICR within the 30 days of the regulations publication.

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

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. 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 confidentiality of the data.

The collection of privacy protected information (PII) is required under these proposed regulations, such as in the use of the Financial Disclosure for Reasonable and Affordable Rehabilitation Payments form, however no assurance of confidentiality is provided to respondents. Instead, a Privacy Act statement is included on the form alerting the user to the authority under which the PII is collected as well as information regarding disclosures to third parties.

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 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

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)

Analysis Table. (The table should at minimum include Respondent types, IC activity, Respondent and Responses, Hours/Response, and Total Hours)

- 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.

Establishing average burden hours

Considerable burden reduction was achieved by eliminating the paperwork burden associated with the ending of the authorization to make new FFEL program loans. Unlike other newly proposed regulations where the resultant proposed regulation would either increase or decrease burden as a result of the change in regulation, this expansive effort to eliminate the unneeded regulations includes more wholesale changes being proposed to 34 CFR 682. As a result, the entire history of burden associated with OMB 1845-0020 was examined. While the burden assessments for OMB 1845-0020 stretch back over 13 years, the necessary level of detail does not exist to disaggregate the currently approved amount of burden in this collection into its corresponding subsections of 34 CFR 682.

Therefore, a new methodology to calculate burden is required. We are able to establish that there are 38 subsections of 34 CFR 682 that have burden under OMB 1845-0020. We have divided the total of the currently approved burden hours of 12,352,197 hours by the 38 affected subsections which on average yields 325,058 hours per affected subsection.

Each of the proposed subsections listed below will use this number of burden hours as a starting point. The proposed changes as provided below explain the burden impact. The specific number of respondents from the affected entities is unavailable; therefore we are projecting the number of respondents and responses, as well as projecting the proportion of the burden hours for each of the affected entities based upon the number of borrowers per affected entity.

We estimate that of the currently approved 25,347,555 respondents spread across 38 subsections of 34 CFR 682 that have burden in OMB 1845-0020, there is an average of 667,041 respondents per subsection (25,347,555 divided by 38). For profit lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 580,192 respondents (667,041 multiplied by .8698) associated with for profit FFEL lenders. Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 86,716 respondents (667,041 multiplied by .1300) associated with not-for-profit FFEL lenders. Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 133 respondents (667,041 multiplied by .0002) associated with public FFEL lenders.

We estimated the number of responses using the same basis for our estimation of respondents. We estimate that of the currently approved 25,347,555 responses spread across 38 subsections of 34 CFR 682 that have burden in OMB 1845-0020, there is an average of 667,401 responses per subsection (25,347,555 divided by 38). For profit lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 580,192 responses (667,401 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 86,716 responses (667,401 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 133 responses (667,401 multiplied by .0002).

For profit lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 282,735 hours of burden (325,058 multiplied by .8698) associated with for profit lenders. Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 42,258 hours of burden (325,058 multiplied by .1300) associated with not-for-profit lenders. Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 65 hours of burden (325,058 multiplied by .0002) associated with public lenders.

Section 682.102 - Repaying a loan.

The proposed regulations would amend the section heading, remove §§682.102(a)-(d), which describes the application process for Stafford, PLUS, and Consolidation loans, and re-designate the paragraphs in current §682.102(e), which describes the loan repayment process, as §682.102(a)-(g).

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.102 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.200 - Definitions - Lender.

The proposed regulations would remove the provisions of current §682.601(a)(3), (a)(5), and (a)(7), and place these provisions into paragraph (8) of the definition of "Lender" in §682.200(b) to §682.200.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.200 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,401	.4873134	325,058

Section 682.205 - Disclosure Requirements for Lenders.

The proposed regulations would remove §682.205(a) – the initial disclosure statement, (b) – statement of borrower rights and responsibilities, (g) – plain language disclosure, and (i) – separate disclosure for Consolidation loans, from the FFEL regulations and renumber the remaining provisions. The remaining provisions include providing repayment information, providing required disclosures during the repayment period, and providing required disclosures for borrowers having difficulty making payments.

The proposed changes would decrease the required burden by 162,529 hours, therefore the current burden hours would decrease from 325,058 hours to 162,529 hours under OMB Control Number 1845-0020.

The specific number of respondents from the affected entities is unavailable; therefore we are projecting the number of respondents and responses based upon the number of borrowers per affected entity. We estimate that of the currently approved 25,347,555 respondents spread across 38 subsections of 34 CFR 682 that have burden in OMB 1845-0020, there is an average of 667,041 respondents per subsection (25,347,555 divided by 38). However, with the removal of several sections from the regulations, we estimate that burden, the number of respondents, as well as the number of responses will decrease by 50 percent making the number of respondents 333,521 (667,041 multiplied by .50) and the number of responses 333,521 (667,041 multiplied by .50).

For profit lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 290,097 respondents (333,521 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 43,358 respondents (333,521 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 66 respondents (333,521 multiplied by .0002).

As noted above the average number of responses is 333,521. For profit lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 290,097 responses (333,521 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 43,358 responses (333,521 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 66 responses (333,521 multiplied by .0002).

Section 682.205 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,041		325,058
Less	333,520	333,520		162,529
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Equals	333,521	333,521	.4873126	162,529

Section 682.206 - Due Diligence in making a loan.

The proposed regulations would remove §682.206 from the FFEL regulations. The SAFRA Act eliminated the authority to make new FFEL program loans, including FFEL consolidation loans. As a result, the requirements governing the making of new FFEL program loans are no longer needed and the previous burden associated with the making of a loan by a lender would be removed.

The proposed change would remove all of the prior assessment of 325,058 hours of burden associated under OMB Control Number 1845-0020. The number of respondents and number of responses are also reduced to zero.

Section 682.206 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,041		325,058
Less	667,041	667,041		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.208 - Due diligence in servicing a loan.

The proposed regulations would replace the term “national credit bureau(s)” with “nationwide consumer reporting agency(ies)” to more accurately reflect the reporting requirements.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.208 - Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401	.4873134	325,058

Section 682.209 - Repayment of a loan.

The proposed regulations would amend §682.209(a)(3)(i) by adding a new paragraph which specifies that borrowers with fixed interest rates on their Stafford loans enter repayment on those loans the day after six months following the date the borrower was no longer enrolled on at least a half-time basis. The proposed regulations would remove current §§682.209(e)-(g) and (j) from the regulations and re-designate the remaining paragraphs as paragraphs (e)-(g). Re-designated §682.209(e) (current paragraph (h)) would be amended to specify that a FFEL Consolidation borrower repaying under the income-based repayment plan may make a scheduled monthly payment of less than the interest that accrues on the loan.

The proposed changes would decrease the burden by 65,012 hours, therefore the current burden assessment would decrease from 325,058 to 260,046 hours (or 80 percent of the average burden hours) under OMB Control Number 1845-0020.

The specific number of respondents from the affected entities is unavailable; therefore we are projecting the number of respondents and responses based upon the number of borrowers per affected entity. We estimate that of the currently approved 25,347,555 respondents spread across 38 subsections of 34 CFR 682 that have burden in OMB 1845-0020, there is an average of 667,041 respondents per subsection (25,347,555 divided by 38). However, with the removal of several sections from the regulations, we estimate that burden, the number of respondents, as well as the number of responses will decrease by 20 percent making the number of respondents and responses 533,633 (667,041 multiplied by .80) .

For profit FFEL lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 464,154 respondents (533,633 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 69,372 respondents (533,633 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 107 respondents (533,633 multiplied by .0002).

As noted above the average number of responses is 533,633. For profit lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 464,154 responses (533,633 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 43,358 responses (533,633 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 66 responses (333,521 multiplied by .0002).

Section 682.209 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	133,408	133,408		65,012
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Equals	533,633	533,633	.4873124	260,046

Section 682.210 - Deferment.

The proposed regulations would amend §682.210(a)(4) of the general provisions section of the deferment regulations to provide that a borrower’s representative may request a military service deferment on behalf of the borrower. In §682.210(b), the introductory language in paragraphs (b)(1) through (6) of §682.210 would be revised to identify the cohort of borrowers to which each paragraph applies. Throughout §682.210(b) cross-references would be added to the eligibility criteria that are applicable to deferments available to these borrowers. The proposed regulations also amend §682.210(s)(2) by removing the exception clause at the end of the provision, and §682.210(u)(5) by replacing the words “military active” with the word “post-active”.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.210 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,401	.4873134	325,058

Sections 682.211 – Forbearance

The proposed regulations amend the current FFELP regulations to authorize a lender to grant forbearance to a borrower or endorser who is in default on a loan, but prior to default claim payment, based on the borrower’s or endorser’s oral request. The proposed regulations provide that a forbearance agreement in this situation must include a new agreement to repay the debt signed by the borrower or endorser (as required under the current regulations), or a written or oral affirmation of the borrower’s or endorser’s obligation to repay the debt. The proposed regulations define “affirmation” for this purpose to be an acknowledgment of the loan by the borrower or endorser in a legally binding manner that can take the form of: 1) a new signed repayment agreement or schedule, or another form of signed agreement to repay the debt (as under current regulations), or 2) an oral acknowledgment and agreement to repay the debt that is documented by the lender in the borrower’s or endorser’s file and confirmed by the lender in a notice to the borrower; or 3) a payment made on the loan by the borrower or endorser. The proposed regulations also specify that if a forbearance in this situation is based on the borrower’s or endorser’s oral request and affirmation, the lender must orally review with the borrower the terms and conditions of the forbearance, and that the lender

must send the borrower or endorser a notice that confirms the terms of the forbearance and the borrower's or endorser's affirmation of the obligation to repay the debt within 30 days of that agreement. The proposed regulations require the lender to retain a record of the terms and conditions of the forbearance and affirmation in the borrower's or endorser's file.

For the 2011 calendar year, we estimate that 172,915 FFEL borrowers requested forbearance after defaulting on a loan. Of that number, 49,350 borrowers have commercially held FFEL Program Loans. Of those borrowers, we estimate that 25 percent (12,338 borrowers) would have exercised an option to orally acknowledge the debt and agreed to repay the debt.

Of the commercially held FFEL loans, we estimate that public holders will have 2 FFEL borrowers who seek to orally acknowledge a defaulted FFEL Program loan. On average, we estimate that it would take the lender .17 hours (10 minutes) per oral acknowledgment to orally review with the borrower the terms and conditions of the forbearance and document the conversation and place that documentation in the borrower's or endorser's file. For public holders, we estimate that burden would increase by such a small amount as to not increase burden (2 borrowers multiplied by .17 hours per oral forbearance request equals less than one half of one hour).

Of the commercially held FFEL loans, we estimate that not-for-profit holders will have 1,551 FFEL borrowers who seek an oral forbearance on a defaulted FFEL Program loan. On average, we estimate that it would take the lender .17 hours (10 minutes) per oral acknowledgment to orally review with the borrower the terms and conditions of the forbearance and document the conversation and place that documentation in the borrower's or endorser's file. For not-for-profit holders, we estimate that burden would increase by 264 hours (1,551 borrowers multiplied by .17 hours per oral forbearance request).

Of the commercially held FFEL loans, we estimate that proprietary holders will have 10,785 FFEL borrowers who seek an oral forbearance on a defaulted FFEL Program loan. On average, we estimate that it would take the lender .17 hours (10 minutes) per oral acknowledgment to orally review with the borrower the terms and conditions of the forbearance and document the conversation and place that documentation in the borrower's or endorser's file. For not-for-profit holders, we estimate that burden would increase by 1,833 hours (10,785 borrowers multiplied by .17 hours per oral forbearance request).

We estimate there would be an equal amount of burden on the borrower engaged in the oral acknowledgement and agreement to repay the debt request with the lender. This increases burden by 7,349 hours for all FFEL borrowers (12,338 commercially held and 30,891 ED-held = 43,229 borrowers multiplied by .17 hours per oral forbearance request).

We estimate that these proposed FFEL forbearance regulations would increase burden by 9,446 hours under OMB Control Number 1845-0020.

Collectively, the proposed changes would increase the burden assessment of 325,058 by 9,446 hours for a total of 334,504 hours under OMB Control Number 1845-0020.

Section 682.211 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Plus	55,567	55,567		9,446
	-----	-----		-----
Equals	722,608	722,608	.4629128	334,504

Section 682.212 - Prohibited transactions.

There is no change to the current language in this section of the regulations, however the current burden referenced in OMB Control Number 1845-0020 is incorrect.

We propose removal of the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020, therefore burden would decrease by 325,058 hours for a total of 0 hours.

Section 682.212 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.214 - Compliance with equal credit opportunity requirements.

The proposed regulations would remove §682.214 from the FFEL regulations. The SAFRA Act ended the making of new FFEL loans and therefore these requirements can be eliminated from the FFEL regulations.

The proposed change would remove the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020, therefore burden would decrease by 325,058 hours for a total of 0 hours. The number of respondents and the number of responses are also reduced to zero.

Section 682.214 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.216 - Teacher loan forgiveness program.

The proposed regulations provide for minor language changes.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.216 - Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401	.4873134	325,058

Section 682.301 - Eligibility of borrowers for interest benefits on Stafford and Consolidation Loans.

The proposed regulations would remove §682.301(c) from the regulations. The SAFRA Act ended the making of new FFEL loans and this provision related to determining borrower eligibility for the interest subsidy on new loans would be eliminated.

The proposed change would remove the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020, therefore burden would decrease by 325,058 hours for a total of 0 hours. The number of respondents and the number of responses are also reduced to zero.

Section 682.301 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.305 - Procedures for payment of interest benefits and special allowance and collection of origination and loan fees.

Section 682.305(c)(1)(ii) specifies that, regardless of the dollar volume of loans originated or held, a school lender or an eligible lender serving as trustee for a school or school-affiliated organization originating FFEL loans as a lender must submit an independent compliance audit to the Department each year. The proposed regulations

would remove the reference to FFEL lenders originating loans. The proposed regulations would also remove the language specifying that a school and lender serving as a trustee for a school must submit an independent compliance audit to the Department each year.

The number of school lenders or lenders serving as a trustee on behalf of a school or a school affiliated organization whose purpose is to originate loans for whom the proposed regulations provide relief is so small as to not be substantive. As a result, these proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.305 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.401 - Basic Program Agreement.

The proposed regulations would remove from §682.401 language which addresses new loan originations, the process supporting loan origination, and a guaranty agency's efforts to secure new loan volume. These provisions can be eliminated from the FFEL regulations because no new FFEL loans are being made. The remaining provisions proposed for elimination relate to school eligibility to participate in a guaranty agency's program and the authority of an agency to limit, suspend, or terminate a school from its program. For purposes of new loans, schools now participate only in the Direct Loan Program. Any future actions to limit, suspend, or terminate a school's participation in the student loan programs would be undertaken by the Department under 34 CFR part 668, subpart G. Therefore, §682.401(b)(6) can also be eliminated from the FFEL regulations.

The proposed changes would decrease the burden by 32,506 hours, therefore the current burden hours would decrease from 325,058 hours by 32,506 hours to 292,552 hours under OMB Control Number 1845-0020.

The specific number of respondents from the affected entities is unavailable; therefore we are projecting the number of respondents and responses based upon the number of borrowers per affected entity. We estimate that of the currently approved 25,347,555 respondents spread across 38 subsections of 34 CFR 682 that have burden in OMB 1845-0020, there is an average of 667,041 respondents per subsection (25,347,555 divided by 38). However, with the removal of several sections from the regulations, we estimate that burden, the number of respondents, as well as the number of responses will decrease by 10 percent making the number of respondents 600,337 (667,041 multiplied by .90) and the number of responses 600,337 (667,041 multiplied by .90).

For profit FFEL lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 522,173 respondents (600,337 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there

are 78,044 respondents (600,337 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 120 respondents (600,337 multiplied by .0002).

As noted above the average number of responses is 600,337. For profit FFEL lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 522,173 responses (600,337 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 78,044 responses (600,337 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 120 responses (600,337 multiplied by .0002).

Section 682.401 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	66,704	66,704		32,506
	-----	-----		-----
Equals	600,337	600,337	.4873130	292,552

Section 682.402 - Death, disability, closed school, false certification, unpaid refunds, and bankruptcy payments.

We have determined that the total increase in burden is 54 hours and are non-substantive and therefore will submit a simple change form (Form 83C) under OMB 1845-0015. There were no further changes to this section that impacted the burden under OMB 1845-0020.

As a result, the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020 would not be altered.

Section 682.402 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.404 - Federal reinsurance agreement.

The proposed regulations would make conforming language changes required due to the elimination of previous cross references or obsolete requirements.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.404 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.405 - Loan rehabilitation agreement.

The proposed regulations would add new §§685.211(f)(1)(i) and 682.405(b)(1)(iii) to provide that the Secretary (in the Direct Loan Program) and the guaranty agency (in the FFEL Program) would base the determination of reasonable and affordable rehabilitation payment amounts on information provided by the borrower on a form approved by the Secretary, and, if requested, supporting documentation provided by the borrower.

Proposed §§685.211(f)(1)(i)(A) and 682.405(b)(1)(iii)(A) would provide that the Secretary and the guaranty agency will consider the borrower's and, if applicable, the borrower's spouse's current disposable income in determining a reasonable and affordable rehabilitation payment. Disposable income includes public assistance payments and other income received by the borrower and the spouse, such as welfare benefits, Social Security benefits, Supplemental Security Income benefits, and workers' compensation benefits. Under proposed §§685.211(f)(1)(i)(A) and 682.405(b)(1)(iii)(A), spousal income would not be considered if the spouse does not contribute to the borrower's household income.

Proposed §§685.211(f)(1)(i)(B) and 682.405(b)(1)(iii)(B) would provide that, in determining the reasonable and affordable payment amount, the Secretary and the guaranty agency will consider the borrower's family size, as defined in §§685.221(a)(3) and 682.215(a)(3).

Under proposed §§685.211(f)(1)(iii) and 682.405(b)(1)(v), the Secretary or the guaranty agency would provide the borrower with a written rehabilitation agreement within 15 business days of the determination of the borrower's reasonable and affordable payment amount. The written rehabilitation agreement would include the rehabilitation payment amount, a prominent statement that the borrower may object orally or in writing to the payment amount, and the method and timeframe for raising an objection to the payment amount. The written rehabilitation agreement would provide an explanation of any other terms and conditions applicable to the required series of payments. The Secretary or the guaranty agency may not impose any other conditions unrelated to the amount or timing of the rehabilitation payments in the rehabilitation agreement. The written rehabilitation agreement would inform the borrower of the effects of having a loan rehabilitated. For FFEL Program loans, the written repayment agreement would inform the borrower of the amount of any unpaid collection costs to be added to the unpaid principal of the loan when the loan is sold to an eligible FFEL lender.

Proposed §§685.211(f)(3) and 682.405(b)(1)(vi) would provide that the borrower's rehabilitation payment amount would be recalculated if the borrower objects to the payment amount contained in the written repayment agreement that the Secretary or the

guaranty agency would send to the borrower under proposed §§685.211(f)(4) and 682.405(b)(1)(vi).

Under §§685.211(f)(5) and 682.405(b)(1)(vii) a borrower who objects to the monthly repayment amount contained in the written repayment agreement would provide the Secretary or guaranty agency the documentation needed to recalculate a monthly payment amount under the IBR formula. The Secretary or the guaranty agency would recalculate the rehabilitation payment amount using the formula for calculating a monthly payment amount under the IBR plan in §685.221(b)(1) and (b)(2) of the Direct Loan regulations or §682.215(b)(1) of the FFEL regulations. If the recalculated amount using the IBR plan formula is less than \$5, the borrower's recalculated monthly rehabilitation payment would be \$5. If the borrower does not provide the required documentation to the Secretary or the guaranty agency, the Secretary or the guaranty agency would not proceed with the rehabilitation process.

Under proposed §685.211(f)(7), a Direct Loan borrower may request that the Secretary adjust the borrower's monthly rehabilitation payment if there is a change in the borrower's financial circumstances. The borrower would be required to provide the documentation specified in proposed §685.211(f)(1)(i) to support the request. This is comparable to the requirement in §682.405(b)(1) of the current FFEL regulations.

We estimate that of the 192,029 FFEL loans held by lenders, 66,283 loans are held by state guaranty agencies and 125,746 loans are held by not-for-profit guaranty agencies, with the remaining 107,130 loans (299,159 minus 192,029) held by the Department.

Under the proposed regulations, 66,283 FFEL borrowers whose loans are held by state guaranty agencies will request rehabilitation of their defaulted loans and complete the loan rehabilitation form. We estimate that for each loan rehabilitation form submitted it would take the guaranty agency on average 0.5 hours (30 minutes) to review and process the loan rehabilitation form. Under these proposed regulations, we estimate that burden would increase by 33,142 hours (66,283 borrowers requesting loan rehabilitation multiplied by 0.5 hours per loan rehabilitation request) under OMB Control Number 1845-0020.

Under the proposed regulations, we estimate that of the 192,029 FFEL loans held by non-Federal entities, 125,746 FFEL borrowers whose loans are held by not-for-profit guaranty agencies will request rehabilitation and complete the loan rehabilitation form. We estimate that for each loan rehabilitation form submitted it would take the guaranty agency on average 0.5 hours (30 minutes) to review and process the loan rehabilitation form. Under these proposed regulations, we estimate that burden will increase by 62,873 hours (125,746 borrowers requesting loan rehabilitation multiplied by 0.5 hours per loan rehabilitation request) under OMB Control Number 1845-0020.

Proposed §§682.405(b)(1)(vi) and 685.211(f)(3) would require a guaranty agency and the Secretary to recalculate the borrower's rehabilitation payment amount if the borrower

objects to the payment amount contained in the written repayment agreement that the guaranty agency or the Secretary sent to the borrower.

Of the 299,159 FFEL borrowers in calendar year 2011 that requested rehabilitation of their defaulted loans, we estimate that 12 percent or 35,899 borrowers would raise an objection to the initial determination of the reasonable and affordable monthly payment amount by the guaranty agency or the Secretary. We estimate that each objection will entail a phone conversation or email that would span on average 0.17 hours (10 minutes). This would increase burden to the borrowers for a total of 6,103 hours (35,899 borrowers objecting to the initial determination of the reasonable and affordable payment amount multiplied by 0.17 hours per loan rehabilitation request) under OMB Control Number 1845-0020.

Proposed §§682.405(b)(1)(vii) and 685.211(f)(5) would require a borrower who objects to the monthly repayment amount contained in the written repayment agreement to provide the guaranty agency or the Secretary the documentation needed to calculate a monthly payment amount under the income-based repayment plan formula. If the borrower does not provide this information to the guaranty agency or the Secretary, no rehabilitation agreement would exist with the borrower, and the guaranty agency or the Secretary would not proceed with the rehabilitation.

Of the 299,159 FFEL borrowers in calendar year 2011 that requested rehabilitation of their defaulted loans, we estimate that 12 percent or 35,899 borrowers would choose to submit documentation for a monthly payment amount to be calculated using the income-based repayment plan formula. We estimate that on average, each borrower would take 0.33 hours (20 minutes) to collect, copy, and submit the required documentation. We estimate that burden would increase by 11,847 hours (35,899 borrowers required to submit documentation multiplied by 0.33 hours per loan rehabilitation request) under OMB Control Number 1845-0020.

Proposed §§682.405(b)(1)(ix) and 685.211(f)(7) would require the Secretary or the guaranty agency, upon the borrower's request, to adjust the borrower's monthly rehabilitation payment due to a change in the borrower's financial circumstances. The borrower would be required to provide documentation supporting the request.

We estimate that 10 percent of the 299,159 FFEL borrowers who requested rehabilitation of their defaulted loans (29,916 FFEL borrowers, 19,203 of whom have FFEL program loans that are held by lenders and 10,713 of whom have FFEL program loans that are held by the Department) would have a change in their financial circumstances in the initial year the proposed regulation is implemented. We estimate that on average each borrower would take 0.33 hours (20 minutes) to collect, copy, and submit the required documentation. We estimate that burden would increase by 9,872 hours (29,916 borrowers with changes in financial circumstances multiplied by 0.33 hours per loan rehabilitation request) under OMB Control Number 1845-0020.

Of the 19,203 borrowers with FFEL loans held by lenders, 6,628 are held by public guaranty agencies and 12,575 are held by not-for-profit guaranty agencies. Under the proposed regulations, we estimate 6,628 FFEL borrowers whose loans are held by public guaranty agencies would have a change in their financial circumstances in the initial year the proposed regulation is implemented. We estimate that for each request submitted it would take on average the guaranty agency 0.5 hours (30 minutes) to review and process the request. Under these proposed regulations, we estimate that burden would increase by 3,314 hours (6,628 borrowers requesting loan rehabilitation multiplied 0.5 hours per loan rehabilitation request equals 3,314 hours) under OMB Control Number 1845-0020.

Under the proposed regulations, we estimate that 12,575 FFEL borrowers whose loans are held by not-for-profit guaranty agencies would request a change in their reasonable and affordable payment amount due to changed financial circumstances in the initial year the proposed regulation is implemented. We estimate that for each request submitted it would take on average the guaranty agency 0.5 hours (30 minutes) to review and process the request for a change in the payment amount. Under these proposed regulations, we estimate that burden will increase by 6,288 hours (12,575 borrowers requesting a change in the loan rehabilitation payment amount multiplied by 0.5 hours per request) under OMB Control Number 1845-0020.

The proposed regulations would add new §§682.405(a)(3)(i) and 685.211(f)(12)(i) to the FFEL and Direct Loan Program regulations requiring a guaranty agency or the Secretary, respectively, to suspend collecting on a defaulted loan through Administrative Wage Garnishment (AWG) after the borrower makes five qualifying payments under a loan rehabilitation agreement. The guaranty agency or the Secretary would not be permitted to suspend AWG prior to the fifth payment, and, after the fifth payment, the borrower would have the option to request that the guaranty agency or the Secretary continue collecting on the loan through AWG while the borrower makes voluntary payments under the rehabilitation agreement.

Under proposed §682.405(a)(3)(ii), we estimate that state guaranty agencies will have 663 FFEL borrowers from whom they will be collecting payments through AWG while the borrower is also making voluntary repayments to rehabilitate the loan. After the borrower has made five qualifying voluntary loan payments (in addition to the AWG payments), the holder would suspend AWG. We estimate that on average each suspension of AWG would take one hour (60 minutes). We estimate that burden would increase by 663 hours (663 borrower requests multiplied by 1 hour per AWG suspension equals 663 hours) under OMB Control Number 1845-0020.

Under proposed §682.405(a)(3)(ii), we estimate that not-for-profit guaranty agencies will have 1,257 FFEL borrowers from whom they will be collecting payments using AWG while the borrower is also making voluntary repayments to rehabilitate the loan. After the borrower has made five qualifying voluntary loan payments (in addition to the AWG payments) the holder would suspend AWG. We estimate that on average each suspension of AWG would take 1 hour (60 minutes). We estimate that burden would

increase by 1,257 hours (1,257 borrower requests multiplied by 1 hour per AWG suspension equals 1,257 hours) under OMB Control Number 1845-0020.

Any burden under proposed §685.211(f)(12)(i) is attributable to the Department and therefore not a part of this burden assessment of affected entities.

Collectively, the proposed changes in §682.405(a) and (b) would increase burden by 135,359 hours in OMB Control Number 1845-0020.

The substantive changes of 135,359 hours above would be in addition to the previous burden assessment of 325,058 hours under OMB Control Number 1845-0020 for a total burden of 460,417 hours.

The specific number of respondents from the affected entities is unavailable; therefore we are projecting the number of respondents and responses based upon the number of borrowers per affected entity. We estimate that of the currently approved 25,347,555 respondents spread across 38 subsections of 34 CFR 682 that have burden in OMB 1845-0020, there is an average of 667,041 respondents per subsection (25,347,555 divided by 38). For profit FFEL lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 580,192 respondents (667,041 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 86,715 respondents (667,041 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 133 respondents (667,041 multiplied by .0002).

We estimated the number of responses using the same basis for our estimation of respondents. We estimate that of the currently approved 25,347,555 responses spread across 38 subsections of 34 CFR 682 that have burden in OMB 1845-0020, there is an average of 66,704 responses per subsection (25,347,555 divided by 38). For profit FFEL lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 580,192 responses (667,041 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 86,715 responses (667,041 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 133 responses (667,041 multiplied by .0002).

Section 682.405 - New Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Plus	314,866	314,866		135,359
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Equals	981,907	981,907	.4689008	460,417

Section 682.406 - Conditions for claim payments from the Federal Fund and for reinsurance coverage.

The proposed regulations would make a minor wording change due to the elimination of previous cross references and add an ending date coinciding with the implementation of the SAFRA Act, which allowed for no new FFEL loans to be made.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.406 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,401	.4873134	325,058

Section 682.409 - Mandatory assignment by guaranty agencies of defaulted loans to the Secretary.

The proposed regulations would make no changes to this section of the regulations.

These proposed regulations would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.409 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.410 - Fiscal, administrative, and enforcement requirements.

The proposed regulations would add a new §682.410(b)(9)(i)(T) to the regulations, which specifies the functions that may be performed by a third-party servicer or collection contractor employed by the guaranty agency for services needed in the administrative wage garnishment (AWG) process.

The proposed regulations would make clear that the guaranty agency may not delegate to any third party the decision to order withholding of an individual borrower's wages, and must create and retain records to demonstrate that each order issued has been individually authorized by an appropriate official of the guaranty agency. The proposed regulations would also specify the manner by which a withholding order may be sent to employers and the permissible activities that may be performed by a third-party servicer or collection contractor employed by the guaranty agency with respect to withholding orders. Only an authorized official of the guaranty agency may determine that an individual withholding order is to be issued. The guarantor must record the official's determination for each order it issues by either including the official's signature on the order, or, by retaining in the agency's records, the identity of the approving official, the

date of the approval, the amount or rate of the order, the name and address of the employer to whom the order was issued and the debt for which the order was issued.

In calendar year 2011, we estimate there were 84,293 FFEL borrowers whose loans were held by state guaranty agencies and for which the guaranty agency had initiated AWG. We estimate that on average the guaranty agency would take .25 hours (15 minutes) to meet the recordkeeping requirements specified above. Total burden hours would increase by 21,073 hours (84,293 multiplied by .25 hours) under OMB 1845-0020.

In calendar year 2011, we estimate there were 159,912 FFEL borrowers whose loans were held by not-for-profit guaranty agencies and for which the guaranty agency had initiated AWG. We estimate that on average the guaranty agency would take .25 hours (15 minutes) to meet the recordkeeping requirements specified above. Total burden hours would increase by 39,978 hours (159,912 multiplied by .25 hours) under OMB 1845-0020.

The proposed changes in §682.410(b)(9)(i)(T)(2) would increase burden by 61,051 hours under OMB Control Number 1845-0020.

The proposed regulations would also replace §682.410(b)(9)(i)(L) of the FFEL regulations with §682.410(b)(9)(i)(H) to provide that if a borrower's written request for a hearing is received by the guaranty agency after the 30th day following the date of the garnishment notice and a decision is not rendered within 60 days following receipt of the borrower's written request for a hearing, the guaranty agency must suspend the order beginning on the 61st day after the hearing request was received until a hearing is provided and a decision is rendered.

If a borrower does not request a hearing within the 30-day time limit, the guaranty agency must go forward with the AWG. However, if a borrower does eventually request a hearing, a guaranty agency is still required to provide one in sufficient time to have a decision issued within 60 days of the request. The Department added a provision specifying that if this hearing is not provided and a decision issued within 60 days, then the agency must suspend the AWG order beginning on the 61st day until a decision is issued.

In calendar year 2011, we estimate there were 84,293 FFEL borrowers whose loans were held by state guaranty agencies and for which the agencies had initiated AWG. We estimate that 10 percent of these borrowers (8,429) would request a hearing and that in 10 percent of those cases (843) a decision would not be rendered until after 60 days following the receipt of the borrower's request. On average, we estimate that it would take one hour (60 minutes) to suspend an administrative wage garnishment order. The total increase in burden would be 843 hours (843 FFEL borrowers undergoing AWG who requested a hearing where a decision was not rendered until after 60 days following the receipt of the borrower's request multiplied by one hour per suspension) under OMB 1845-0020.

In calendar year 2011, we estimate there were 159,912 FFEL borrowers whose loans were held by not-for-profit guaranty agencies and for which the agencies had initiated AWG. We estimate that 10 percent of these borrowers (15,991) would request a hearing and that in 10 percent of those cases (1,599) a decision would not be rendered until after 60 days following the receipt of the borrower's request. On average, we estimate that it would take one hour (60 minutes) to suspend an administrative wage garnishment order. The total increase in burden would be 1,599 hours (1,599 FFEL borrowers undergoing AWG who requested a hearing where a decision was not rendered until after 60 days following the receipt of the borrower's request multiplied by one hour per suspension) under OMB 1845-0020.

The proposed changes in §682.410(b)(9)(i)(H) would increase burden by 2,442 hours in OMB Control Number 1845-0020.

The proposed regulations would add new paragraph 682.410(b)(9)(i)(J) and would provide for the manner by which the hearing is administered and certain provisions relating to bringing forth additional evidence and continuances. Specifically, the proposed regulations would require that the hearing be conducted as an informal proceeding, require witnesses in an oral hearing to testify under oath or affirmation, and require maintenance of a summary record of any hearing. The proposed regulations would also allow the borrower to request a continuance to submit additional evidence.

In calendar year 2011, we estimate there were 84,293 FFEL borrowers whose loans were held by state guaranty agencies and for which the agencies had initiated AWG. We estimate that 10 percent of these borrowers (8,429) would request a hearing. We estimate that on average each summary record would take 1 hour (60 minutes). The total burden increase for this recordkeeping would be 8,429 hours (8,429 hearings multiplied by one hour per hearing) under OMB 1845-0020.

In calendar year 2011, we estimate there were 159,912 FFEL borrowers whose loans were held by not-for-profit guaranty agencies and for which the agencies had initiated AWG. We estimate that 10 percent of these borrowers (15,991) would request a hearing. We estimate that on average each summary record would take one hour (60 minutes). The total burden increase for this recordkeeping would be 15,991 hours (15,991 hearings multiplied by one hour per hearing) under OMB 1845-0020.

The proposed changes in §682.410(b)(9)(i)(J) would increase burden by 24,420 hours in OMB Control Number 1845-0020.

Proposed §682.410(b)(9)(i)(Q) would clarify that a borrower who wishes to object to AWG on the basis that he or she is not subject to garnishment because of recent reemployment after involuntary separation, bears the burden of raising and proving that claim.

In calendar year 2011, we estimate that there were 84,293 FFEL borrowers whose loans were held by state guaranty agencies and for which the agencies had initiated AWG. Of

that number, we estimate that 8 percent (6,743) became unemployed involuntarily. Furthermore, we estimate that a sub-group of those who became unemployed involuntarily, 5 percent (337) gained subsequent reemployment. We estimate that the average amount of time for each AWG borrower in this sub-group to provide documentation that supports their claim to not be subject to AWG due to their recent reemployment to be .5 hours. The increased burden to provide documentation that would support the borrower’s claim that he not be subject to AWG due to recent reemployment is 169 hours (337 borrowers whose student loans were being collected by AWG, who became employed involuntarily, but subsequently gained reemployment multiplied by .5 hours per claim) under OMB 1845-0020.

In calendar year 2011, we estimate that there were 159,912 FFEL borrowers whose loans were held by not-for-profit guaranty agencies and for which the agencies had initiated AWG. Of that number, we estimate that 8 percent (12,793) became unemployed involuntarily. Furthermore, we estimate that a sub-group of those who became unemployed involuntarily, 5 percent (640) gained subsequent reemployment. We estimate that the average amount of time for each AWG borrower in this sub-group to provide documentation that supports their claim to not be subject to AWG due to their recent reemployment to be .5 hours. The total amount of increased burden to provide documentation that would support the borrower’s claim that he not be subject to AWG due to recent reemployment is 320 hours (640 borrowers whose loans were being collected by AWG, who became employed involuntarily, but subsequently gained reemployment multiplied by .5 hours per claim) under OMB 1845-0020.

The proposed changes in §682.410(b)(9)(i)(Q) would increase burden by 489 hours in OMB Control Number 1845-0020.

Collectively, the proposed changes in §682.410 would increase burden by 88,402 hours in OMB Control Number 1845-0020.

Apart from the changes made to the Administrative Garnishment section of the regulations indicated above, the proposed regulations would only make minor wording changes to conform to cross reference changes and delete obsolete references. There are no further changes to this section. These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020 and the earlier assessment that increased burden by 88,402 hours in OMB 1845-0020 for a total of 413,460 hours.

Section 682.410 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Plus	271,044	271,044		88,402
	-----	-----		-----
Equals	938,085	938,085	.4402796	413,460

Section 682.411 - Lender due diligence in collecting guaranty agency loans.

The proposed regulations would make a minor wording change.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.411 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.412 - Consequences of the failure of a borrower or student to establish eligibility.

The proposed regulations would make a minor wording change.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.412 - New Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.414 - Records, reports, and inspection requirements for guaranty agency programs.

The proposed regulations would make a minor wording change. The proposed changes would decrease the previous burden assessment by 16,253 hours, therefore the current burden of 325,058 would decrease to 308,805 hours under OMB Control Number 1845-0020.

The specific number of respondents from the affected entities is unavailable; therefore we are projecting the number of respondents and responses based upon the number of borrowers per affected entity. We estimate that of the currently approved 25,347,555 respondents spread across 38 subsections of 34 CFR 682 that have burden in OMB 1845-0020, there is an average of 667,041 respondents per subsection (25,347,555 divided by 38). However, with the removal of several sections from the regulations, we estimate that burden, the number of respondents, as well as the number of responses will decrease by 5 percent making the number of respondents and responses 633,689 (667,041 multiplied by .95)

For profit FFEL lenders had 86.98 percent of the FFEL borrowers for the most recently completed year's data, therefore we estimate that there are 551,183 respondents (633,689 multiplied by .8698). Private not-for-profit lenders had 13 percent of the FFEL

borrowers for the most recently completed year’s data, therefore we estimate that there are 82,380 respondents and responses (633,689 multiplied by .1300). Public lenders had .02 percent of the FFEL borrowers for the most recently completed year’s data, therefore we estimate that there are 126 respondents and responses (633,689 multiplied by .0002).

Section 682.414 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	33,352	33,352		16,253
	-----	-----		-----
Equals	633,689	633,689	.4873132	308,805

Section 682.417 - Determination of Federal funds or assets to be returned.

The proposed regulations make no changes to this section of the regulations. These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.417 - New Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,041	.4873134	325,058

Section 682.418 - Prohibited uses of the assets of the Operating Fund during periods in which the Operating Fund contains transferred funds owed to the Federal Fund.

The proposed regulations would remove §682.418 from the FFEL regulations. The proposed change would remove all of the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020. The number of respondents and responses are also reduced to zero.

Section 682.418 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.421 - Funds transferred from the Federal Fund to the Operating Fund by a guaranty agency.

The proposed regulations would remove §682.421 from the FFEL regulations. The proposed change would remove the prior burden assessment of 325,058 hours under

OMB Control Number 1845-0020. The number of respondents and the number of responses are also reduced to zero.

Section 682.421 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.507 - Due diligence in collecting a loan.

Section 682.508 - Assignment of a loan.

Section 682.511 - Procedures for filing a claim.

Section 682.515 - Records, reports, and inspection requirements for Federal GSL program lenders

The proposed regulations would remove all of the regulations under subpart E (§§682.500 through 682.515) and reserve the subpart. The proposed regulations would also remove FISL-related Appendix C to part 682 from the regulations.

The proposed change would remove the prior burden assessment of 1,300,232 hours (325,058 hours per section multiplied by 4 sections) under OMB Control Number 1845-0020. The number of respondents and responses are also reduced to zero.

Section 682.507 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.508 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.511 – Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.515 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.602 - Rules for a school or school-affiliated organization that makes or originates loans through an eligible lender trustee.

The proposed regulations would remove §682.602 from the FFEL regulations. The proposed change would remove the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020. The number of respondents and responses are also reduced to zero.

Section 682.602 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

Section 682.603 - Certification by a school that participated in connection with a loan application

The proposed regulations would make conforming language changes required due to the elimination of a cross reference and reorganization due to a deletion of previous requirements.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.603 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.604 - Processing the borrower’s loan proceeds and counseling borrowers (Required exit counseling for borrowers).

The proposed regulations would change the heading of §682.604, remove current paragraph (a), remove and reserve paragraph (b), and remove paragraphs (c)-(f) and (h). The proposed regulations would also re-designate current paragraph (g) as paragraph (a). Newly redesignated §682.604(a)(1) would be amended to include another option for providing exit counseling to a student borrower who withdraws without the school’s knowledge or fails to complete required exit counseling. In addition to the existing options described under “Current Regulations,” a school could also send written counseling materials to an e-mail address provided by the student borrower. Newly redesignated §682.604(a)(2) would be amended by replacing cross-references to current paragraph (a), which we are proposing to remove, with the substantive information contained in the cross-referenced provision that must be included in the counseling. A new paragraph (a)(5) would also be added to newly redesignated §682.604(a) to clarify that: (1) a school’s compliance with the Direct Loan Program exit counseling requirements in 34 CFR 685.304(b) satisfies the FFEL regulatory exit counseling requirements for student borrowers who received both FFEL and Direct Loan program loans for attendance at the school if the school provides the information required by §682.604(a)(2)(i) and (a)(2)(ii); and (2) a student’s completion of interactive exit counseling offered by the Secretary meets both the FFEL exit counseling requirements and the Direct Loan exit counseling requirements in 34 CFR 685.304(b).

The proposed changes would decrease the previous burden assessment of 325,058 hours by 211,288 hours, therefore the current burden of 325,058 hours would decrease to 113,770 hours under OMB Control Number 1845-0020.

Section 682.604 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	433,577	433,577		211,288
	-----	-----		-----
Equals	233,464	233,464	.4873128	113,770

Section 682.605 - Determining the date of a student’s withdrawal.

The regulatory language in this section has not changed. These proposed regulations would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.605 - New Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.610 - Administrative and fiscal requirements for schools that participated.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.610 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,401	.4873134	325,058

Section 682.711 - Reinstatement after termination.

The proposed regulations remove the language regarding the loss of a school leader's participation upon the loss of the school's eligibility to participate in Title IV, Federal Student Assistance.

These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.711 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.712 - Disqualification review of limitation, suspension, and termination actions taken by guarantee agencies against lenders.

The proposed regulations would remove a cross-reference to a section proposed for deletion. These proposed changes would not alter the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020.

Section 682.712 - Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041	.4873134	325,058

Section 682.713 Disqualification review of limitation, suspension, and termination actions taken by guaranty agencies against a school.

The proposed regulations would remove §682.713 from the FFEL regulations. The proposed change would remove the prior burden assessment of 325,058 hours under OMB Control Number 1845-0020. The number of respondents and the number responses are also reduced to zero.

Section 682.713 - Changed Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,401		325,058
Less	667,041	667,401		325,058
	-----	-----		-----
Equals	0	0		0

The Department is requesting a revision of the current FFEL Program information collection under OMB 1845-0020 to reflect the proposed regulatory changes explained above.

Currently Approved Numbers:

# of Respondents	# of Responses	Hours/Response	Burden Hours
25,347,555	25,347,555		12,352,197

New Burden:

Section 682.102:

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058

Section 682.200

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058

Section 682.205

# of Respondents	# of Responses	Hours/Response	Burden Hours
333,521	333,521		162,529

Section 682.206

# of Respondents	# of Responses	Hours/Response	Burden Hours
0	0		0

Section 682.208

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058

Section 682.209

# of Respondents	# of Responses	Hours/Response	Burden Hours
533,633	533,363		260,046

Section 682.210

# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058

Section 682.211

# of Respondents	# of Responses	Hours/Response	Burden Hours
722,608	722,608		334,504

Section 682.212			
# of Respondents	# of Responses	Hours/Response	Burden Hours
0	0		0
Section 682.214			
# of Respondents	# of Responses	Hours/Response	Burden Hours
0	0		0
Section 682.216			
# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058
Section 682.301			
# of Respondents	# of Responses	Hours/Response	Burden Hours
0	0		0
Section 682.305			
# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058
Section 682.401			
# of Respondents	# of Responses	Hours/Response	Burden Hours
600,337	600,337		292,552
Section 682.402			
# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058
Section 682.404			
# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058
Section 682.405			
# of Respondents	# of Responses	Hours/Response	Burden Hours
981,907	981,907		460,417
Section 682.406			
# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058
Section 682.409			
# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058
Section 682.410			
# of Respondents	# of Responses	Hours/Response	Burden Hours
939,085	939,085		413,460
Section 682.411			
# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058
Section 682.412			
# of Respondents	# of Responses	Hours/Response	Burden Hours
667,041	667,041		325,058
Section 682.414			
# of Respondents	# of Responses	Hours/Response	Burden Hours
633,689	633,689		308,805
Section 682.417			

	# of Respondents	# of Responses	Hours/Response	Burden Hours
	667,041	667,041		325,058
Section 682.418				
	0	0		0
Section 682.421				
	0	0		0
Section 682.507				
	0	0		0
Section 682.508				
	0	0		0
Section 682.511				
	0	0		0
Section 682.515				
	0	0		0
Section 682.602				
	0	0		0
Section 682.603				
	667,041	667,041		325,058
Section 682.604				
	233,464	233,464		113,770
Section 682.605				
	667,041	667,041		325,058
Section 682.610				
	667,041	667,041		325,058
Section 682.711				
	667,041	667,041		325,058
Section 682.712				
	667,041	667,041		325,058
Section 682.713				
	0	0		0

Sub-total of New Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
16,984,982	16,984,982		8,197,127

Difference:

(8,362,573)	(8,362,573)	(4,155,070)
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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

Total Annualized Capital/Startup Cost :

Total Annual Costs (O&M) :

Total Annualized Costs Requested : _____

There are no capital/startup costs to respondents, nor are there any annual costs to respondents associated with operating or maintaining systems or purchasing services.

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.

The cost to the federal government is minimal.

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 Department is requesting a revision of the current FFEL Program information collection under OMB 1845-0020 to reflect the statutory and regulatory changes to the program. The proposed regulations modify forbearance provisions, reasonable and affordable loan rehabilitation processes, and a number of provisions affecting administrative wage garnishment provisions. Substantial changes would be made to the proposed repeal of unneeded FFEL regulations in 34 CFR 682 as a result of the Student Aid and Fiscal Responsibility (SAFRA) Act that was included in the Health Care and Reconciliation Act of 2010 (HCERA) which, as of July 1, 2010, terminated the authority for lenders to make new loans under the FFEL program. There is a proposed overall reduction of 4,155,070 in burden hours from the current collection.

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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.

The results of this 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.

The Department is not seeking this approval.

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

The Department is not requesting any exceptions to the “Certification for Paperwork Reduction Act Submissions” of OMB Form 83-1.