

SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
FEDERAL PERKINS LOAN PROGRAM

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 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.

For the Federal Perkins Loan Program, the regulations would add a new §674.19(f) with the heading “enrollment reporting process.” §674.19(f)(1) 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. §674.19(f)(2) would provide that unless it expects to submit its subsequent updated enrollment report to the Secretary within the next 60 days, an institution must notify the Secretary within 30 days after; 1. the date the school discovers that a loan under title IV of the HEA was made to a student who was enrolled or accepted for enrollment at the institution, and the student has ceased to be enrolled on at least a half-time basis, 2. or failed to enroll on at least a half-time basis for the period for which the loan was intended, 3. or discovers that a student who is enrolled at the institution and who received a loan under title IV of the HEA has changed his or her permanent address. 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.

Under §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

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

graduate fellowship program and to establish the eligibility of a Perkins Loan borrower for a graduate fellowship deferment. The regulations would require that a borrower provide the institution with a statement from an authorized official of the borrower's graduate fellowship program certifying a.) that the borrower holds at least a bachelor's degree and b.) the borrower's anticipated completion date of the program.

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.

There is no change to the purpose and use of the collection of information on the Perkins Loan program. The regulations related to school enrollment status reporting to reflect current terminology and procedures. In addition these changes to the Perkins reporting would make it consistent with FFEL and Direct Loan status reporting requirements. The change to the graduate fellowship deferment serves to provide equitable treatment for this deferment across the Title IV, HEA loan programs.

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.

School enrollment status reports are generated by the Department six times per year and sent to institutions via NSLDS. Institutions open the report and subsequently provide status reporting data which is returned to the Department via NSLDS. The change to the graduate fellowship deferment procedures is a manual process where the borrower obtains a written statement from an authorized official of the borrower's graduate program certifying that the borrower already possesses a bachelor's degree and the borrower's anticipated graduation date from the graduate program.

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.

Absent the requirement on student enrollment status information reporting for Perkins only borrowers, the Department would not have vital student eligibility information regarding when a student ceased to be enrolled on at least a half-time basis, when a borrower failed to enroll on at least a half-time basis for the period for which the Perkins loan was intended, and other changes to the borrower's enrollment status. In addition, under this requirement, the institution would provide information to the Department whenever a student who is enrolled at the institution and received a loan under Title IV of the HEA has changed his or her permanent address. The change to the deferment of repayment for a borrower engaged in a graduate fellowship program requires that the same criteria used for the establishment of such a deferment under either the FFEL or Direct Loan program be used thus providing for equal treatment throughout the Title IV, HEA loan programs.

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 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 final regulations will run concurrently with the comment period for the final regulations. During the initial 60 day comment period there were no specific comments on the burden calculations provided. This release is for the 30 day comment period.

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.

Privacy protected information is not being collected, rather the Department is providing information about students with Title IV, HEA program assistance as listed on our NSLDS system and the institution would be providing enrollment status information about the students to the Department via NSLDS. Additionally, changes to borrower's permanent address information would be provided by the institution to the Department.

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)

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 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.

Section 674.19 – 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.

For the 2011 calendar year 45 percent of the Federal Perkins loan borrowers were at private not-for-profit institutions, therefore we estimate that burden would increase for private not-for-profit institutions by 17,240 hours (38,312 multiplied by .45) under OMB 1845-0019.

For the 2011 calendar year 4 percent of the Federal Perkins loan borrowers were at proprietary institutions, therefore we estimate that burden would increase for private for-profit institutions by 1,533 hours (38,312 multiplied by .04) under OMB 1845-0019.

Collectively, the regulatory changes to §674.19 would increase burden by 38,312 hours under OMB 1845-0019.

Section 674.19 - New Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
127,708	127,708	.05 hrs	38,312

Section 674.34 – Deferment of Repayment – Federal Perkins Loans

In calendar year 2011 there were 1,104 Perkins borrowers who applied for a graduate fellowship deferment. We estimate that on average it would take the borrower .25 hours (15 minutes) to obtain the certification from an authorized official of the graduate fellowship program and to complete and submit the Perkins loan deferment form multiplied by an estimated 1,104 deferment applications equals 276 hours of increased burden to the borrowers under OMB Control Number 1845-0019.

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 and their authorized officials by 141 hours (1,104 applications multiplied by .51 multiplied by .25 hours per certification) under OMB 1845-0019.

For the 2011 calendar year, 45 percent of the Federal Perkins loan borrowers or 497 affected borrowers were at private not-for-profit institutions, therefore we estimate that burden would increase for private not-for-profit institutions and their authorizing officials by 124 hours (1,104 applications multiplied by .45 multiplied by .25 hours per certification) under OMB 1845-0019.

For the 2011 calendar year, 4 percent of the Federal Perkins loan borrowers or 44 affected borrowers were at proprietary institutions, therefore we estimate that burden

would increase for private not-for-profit institutions and their authorizing officials by 11 hours (1,104 applications multiplied .04 multiplied by .25 hours per certification) under OMB 1845-0019.

Collectively, the regulatory changes to §674.34 would increase burden by 552 hours under OMB 1845-0019.

Section 674.34 - New Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
2,208	2,208	.25 hrs	552

Currently Approved Numbers:

# of Respondents	# of Responses	Hours/Response	Burden Hours
11,486,794	11,486,794		6,208,288

New Burden:

# of Respondents	# of Responses	Hours/Response	Burden Hours
129,916	129,916		38,864

Revised Numbers Requested:

11,616,710	11,616,710		6,247,152
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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 to the Department since School Enrollment Status Reporting has been occurring for many years under the title “Student Status Confirmation Reporting”. The addition of the Perkins reporting would be the newly added reporting. There is little or no cost to the Department regarding the criteria used to determine whether a borrower in a graduate fellowship program is eligible for a Perkins Loan deferment since the information is provided to the institution where the Perkins Loan is held and the determination is made by the loan holder – the institution that originally provided the Perkins Loan to the borrower.

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).

This request is a revision of the current information collections. The regulations would increase burden by 38,864 hours. Under 674.19, institutions participating in the Title IV, HEA programs already report student enrollment status information via NSLDS. The Department sends student enrollment status information reports to participating institution approximately every 60 days. The institution would be required to report data

for a student for whom a Federal Perkins loan is their only Title IV loan (since students who also have either a FFEL or Direct Loan have been reported under the current FFEL and DL requirements). Under 674.34, the criteria used to make a determination of whether a borrower in a graduate fellowship program may be granted a Perkins Loan deferment and so the deferment is made under the same criteria used for the FFEL and Direct Loan programs.

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.