

**Supporting Statement
Information Collection for 1845-0059**

**William D. Ford Federal Direct Loan Program
Federal Family Education Loan Program**

Teacher Loan Forgiveness Forms

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 copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Sections 428J and 460 of the Higher Education Act of 1965, as amended (HEA) provide for teacher loan forgiveness in the Federal Family Education Loan (FFEL) Program and the William D. Ford Federal Direct Loan (Direct Loan) Program. Borrowers who teach for five consecutive years at schools or educational service agencies serving low-income families and meet certain other requirements may receive up to \$17,500 in loan forgiveness. The teacher loan forgiveness regulations at 34 CFR 682.216 (for the FFEL Program) and 34 CFR 685.217 (for the Direct Loan Program) require borrowers to provide their loan holders with documentation establishing their eligibility for teacher loan forgiveness and for teacher loan forgiveness forbearance.

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 Teacher Loan Forgiveness Application included in this submission will be used by loan holders to collect information needed to determine whether a borrower is eligible for teacher loan forgiveness based on qualifying teaching service. A borrower applies for teacher loan forgiveness by completing the application and returning it to his or her loan holder. The Chief Administrative Officer(s) of the school(s) or educational service agency(ies) where the borrower performed the qualifying teaching service must certify the borrower's application.

The Teacher Loan Forgiveness Forbearance Request included in this submission will be used by loan holders to collect information needed to determine whether a borrower is eligible for forbearance on the borrower's outstanding federal student loans during the period when the borrower is performing the qualifying teaching service. During the five years of required teaching, a borrower may apply annually for forbearance on the loans for which he or she is seeking forgiveness if the loan forgiveness amount for which the borrower qualifies will satisfy the anticipated outstanding balance on the borrower's loans upon completion of the qualifying teaching service. A borrower applies for forbearance by completing the form and returning it to the borrower's loan holder. This form is self-certifying.

The U.S. Department of Education (ED) is requesting a revision of the currently approved forms. Although ED is not making any substantive changes to the language in either of the two currently

approved forms, and there are no changes to the data elements, we have reformatted and reorganized the forms to make them easier for borrowers to read.

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.

Since the Teacher Loan Forgiveness Application requires a borrower's signature and a signed certification from the chief administrative officer of the borrower's school or educational service agency, the United States Postal Service currently provides the only feasible means for borrowers to return completed applications to their loan holders.

However, the Teacher Loan Forgiveness Forbearance Form requires only the borrower's signature. Therefore, loan holders may allow borrowers to submit the forbearance form electronically.

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.

There is no information available from other sources that can be used for the purpose described in Item 2 of this supporting document.

5. If the collection of information impacts small businesses or other small entities (Item 8b of IC Data Part 2), describe any methods used to minimize burden.

No small businesses are 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.

The data must be collected to determine a borrower's eligible for teacher loan forgiveness. Without the collection of this data, a borrower could not receive the benefit of loan forgiveness.

The regulations in 34 CFR Parts 682.216 and 685.217 require a borrower to apply for loan forgiveness with his or her loan holder. Therefore, a borrower who is seeking forgiveness of multiple loans that are with different holders may be required to complete more than one Teacher Loan Forgiveness Application or Teacher Loan Forgiveness Forbearance Request.

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.

This information collection does not involve any of the conditions listed in 5 CFR 1320.5(d)(2).

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The paperwork clearance process provides the public with two opportunities to submit comments on the revised forms included with this submission. A notice was published in the Federal Register on March 19, 2014 inviting the public to submit comments during the first of the two comment periods. In response to this notice, one commenter submitted 28 comments recommending minor changes to the forms. We have made the majority of the recommended changes. The public comments that were submitted and ED's responses to those comments are included with this submission. We also made additional minor changes in response to comments provided by ED's federal loan servicers that process Teacher Loan Forgiveness applications and forbearance requests for loans that are held by ED.

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

No payments or gifts will be provided to the respondents.

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

These teacher loan forgiveness forms include a Privacy Act Disclosure Notice that (1) informs the borrower of the statutory authority for collecting the information; (2) explains that the disclosure of the information is voluntary, but that it is required in order for the borrower to be considered for the forgiveness; and (3) identifies the third parties to whom the information may be disclosed and explains the circumstances under which such disclosures may occur.

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.

These teacher loan forgiveness forms do not contain any sensitive questions.

12. Provide estimates of the hour burden of the collection of information. The statement should :

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in item 16 of IC Data Part 1.**
- **Provide estimates of annualized cost to respondents of the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The total estimated annual reporting hour burden for this information collection is approximately 2,871 hours (2,640 for the application and 231 for the forbearance form) for the Direct Loan Program and the FFEL Program. The burden estimate was calculated as follows:

Teacher Loan Forgiveness Application

Estimated annual number of respondents:	8,000
Number of responses per borrower:	x 1
Hours per response:	<u>x 0.33 (20 minutes)</u>
Annual hour burden:	2,640 hours

Teacher Loan Forgiveness Forbearance Request

Estimated annual number of respondents:	700
Number of responses per borrower:	x 1
Hours per response:	<u>x 0.33 (20 minutes)</u>
Annual hour burden:	231 hours

There is an annual estimated cost to respondents of \$3,828.00. This represents the total of the annual cost estimates for loan forgiveness application and forbearance request. The cost estimate for each form was calculated as follows:

Teacher Loan Forgiveness Application

Respondents	8,000
Responses	x 1
Postage cost per response	x \$0.49
Annual cost burden	<hr/> \$3,920.00

Teacher Loan Forgiveness Forbearance Request

Respondents	700
Responses	x 1
Postage cost per response	x \$0.49
Annual cost burden	<hr/> \$343.00

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and acquiring and maintaining record storage facilities.
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates,

agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

Total Annualized Capital/Startup Cost:

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.

There is no significant annualized cost to the federal government. For the Direct Loan Program, ED's with its Direct Loan servicers are not based on a fee-for-service model; rather, ED pays its servicers based on performance metrics. For the FFEL Program, there is no significant cost associated with this collection, since FFEL Program loan holders distribute the forms, collect the information, and process the loan forgiveness and forbearance requests. The government incurs no additional cost merely as a result of this information collection.

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

ED is not reporting any changes.

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 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.

ED is not seeking this approval.

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

ED is not requesting any exceptions to the "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-1.

B. Collection of Information Employing Statistical Methods

This information collection does not employ statistical methods.