

SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
The William D. Ford Federal Direct Loan Program Federal Direct PLUS Loan
Request for Supplemental Information

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.

Section 455(a) of the Higher Education Act of 1965, as amended (the HEA) authorizes Federal Direct PLUS Loans (Direct PLUS Loans) as one of the loan types that are available through the William D. Ford Federal Direct Loan Program (Direct Loan Program). Direct PLUS Loans are made to parents of dependent undergraduate students and to graduate and professional students. In accordance with 34 CFR 685.201(b), a parent or a graduate or professional student who wishes to borrow a Direct PLUS Loan must complete a Direct PLUS Loan Master Promissory Note (Direct PLUS Loan MPN; approved under OMB No. 1845-0068)). A master promissory note is a promissory note under which a borrower may receive loans for a single academic year or multiple academic years (see the definition of “master promissory note” in 34 CFR 685.102(b)). Borrowers have the option of completing a paper Direct PLUS Loan MPN or completing the Direct PLUS Loan MPN electronically on ED’s StudentLoans.gov web site. The eligibility requirements for Direct PLUS Loan borrowers are in 34 CFR 685.200(b) and (c).

Schools that participate in the Direct Loan Program are responsible for determining a borrower’s eligibility for a Direct PLUS Loan and must submit an electronic loan origination record to the U.S. Department of Education (ED) for each Direct PLUS Loan that a borrower receives. The loan origination record includes loan-specific information that is not included on the Direct PLUS Loan MPN, such as the loan amount. Because the Direct PLUS Loan MPN is a multi-year promissory note that can be used to make multiple loans for up to 10 years, it is not possible to include on the MPN itself loan-specific information about the multiple individual loans that may be made under a single Direct PLUS Loan MPN.

The Direct PLUS Loan Request for Supplemental Information (Direct PLUS Loan Request) collects additional information that schools need in order to originate Direct PLUS Loans. Schools obtain this information through the currently approved Direct PLUS Loan Request (1845-0103) or directly from Direct PLUS Loan applicants through school-based procedures that they have developed and that vary from school to school. The form has been reorganized and streamlined to make it easier for PLUS borrowers to use.

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

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 Direct PLUS Loan Request collects information that is required by schools before they can originate a Direct PLUS Loan. The Direct PLUS Loan Request also provides Direct PLUS Loan applicants with options for completing certain actions related to their loans (for example, requesting a deferment) that would otherwise have to be completed by other means. This reduces burden on borrowers by allowing them to complete multiple actions as part of the Direct PLUS Loan Request process instead of having to complete multiple separate transactions.

ED developed the Direct PLUS Loan Request in response to requests from schools that participate in the Direct Loan Program. The principal purpose of the Direct PLUS Loan Request is to simplify the Direct PLUS Loan application process for borrowers and assist schools in the creation of Direct PLUS Loan awards. Schools wanted to have a standardized process for collecting some of the information needed for a Direct PLUS Loan origination record that is not collected on the Direct PLUS Loan MPN. In addition, schools wanted this information to be collected on the same ED web site where borrowers may complete an electronic Direct PLUS Loan MPN and Direct Loan entrance and exit counseling, so that parents and students will be able to go to a single location where they can provide the information needed by schools to originate a Direct PLUS Loan, complete a Direct PLUS MPN (if they have not already done so) and, if required, entrance counseling.

The Direct PLUS Loan Request is only available electronically on ED's StudentLoans.gov web site. A paper option is not available. Completion of the Direct PLUS Loan Request is optional, at the discretion of the school that is awarding a borrower's Direct PLUS Loan. Schools may continue to use their own procedures to obtain the information needed to originate Direct PLUS Loans, or they may direct parent and student Direct PLUS Loan borrowers to ED's web site to complete ED's Direct PLUS Loan Request. If a school chooses to use ED's Direct PLUS Loan Request, a borrower will have to complete a Direct PLUS Loan Request for each Direct PLUS Loan that he or she receives.

A borrower accesses the Direct PLUS Loan Request on the same ED web site where a borrower may complete an electronic PLUS MPN or complete Direct Loan electronic entrance and exit counseling. To access this web site, a borrower must have a Federal Student Aid PIN. Once a borrower has completed a Direct PLUS Loan Request, ED will transmit the information that the borrower provided to the school(s) that the borrower identified.

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 Direct PLUS Loan Request makes maximum use of available information technology. A borrower must have a Federal Student Aid PIN to access the web site where the Direct PLUS Loan Request is located. Identifying information from the PIN web site automatically populates some of the Borrower Information data elements on the Direct PLUS

Loan Request, so the borrower does not have to provide this information. In addition, if a borrower who is completing the Direct PLUS Loan Request has already completed a Direct PLUS Loan MPN, or has another record on file in ED's Common Origination and Disbursement System (for example, a Pell Grant origination record), most of the additional data elements in the Direct PLUS Loan Request for Supplemental Information are automatically populated based on the existing information from the Direct PLUS Loan MPN or other record. Borrowers are only required to provide information that is not already available from existing records, or make any necessary corrections to the information that is imported from other records.

If a borrower who completes the Direct PLUS Loan Request has not already completed a Direct PLUS Loan MPN, the information collected on Direct PLUS Loan Request is used to populate corresponding data elements on the Direct PLUS Loan MPN when the borrower completes that document.

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 Direct PLUS Loan Request does not require borrowers to provide information that is available from other records maintained by ED. There is no information available from other sources that can be used for the purposes described in Item 2.

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.

Completion of the Direct PLUS Loan Request is optional, at the discretion of the school that is processing a borrower's Direct PLUS Loan request. If a school wants its Direct PLUS Loan applicants to complete ED's Direct PLUS Loan Request, a borrower will have to complete a separate Direct PLUS Loan Request for each Direct PLUS Loan that he or she receives. If a borrower did not complete the Direct PLUS Loan Request, the school would have to obtain some of the information that is included in the Direct PLUS Loan Request by other means.

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. 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 currently approved Direct PLUS Loan Request was developed at the request of schools that participate in the Direct Loan Program. The form has been reorganized based upon feedback from the schools. The clearance process which provides the public with two opportunities to submit comments on the revised forms included with this submission has been completed. No public comments have been received during the 60-day period. A 30-day notice will be published in the Federal Register.

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 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 Direct PLUS Loan Request includes a Privacy Act Notice that (1) provides the statutory authority for the information collection, (2) explains that disclosure of the information is voluntary, 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.

The Direct PLUS Loan Request does not require respondents to provide any information that would be considered sensitive.

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.

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)

- 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.

ED estimates the total annual number of respondents for this information collection to be approximately 1,230,000. The estimated time required to complete a Direct PLUS Loan Request is 0.5 hours (30 minutes). Based on one response per respondent, this equates to a total estimated annual reporting burden of 615,000 hours.

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 total estimated annual cost to the Federal government for this information collection is \$1,327,890.00. This includes costs associated with software development and electronic transmission/receipt of data.

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 is a request for a revision of the currently approved form. The form was reorganized for improved usability and flow. No changes are being proposed to the 615,000 burden hours due to this reorganization.

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 information 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-I.