

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
Health Education Assistance Loan (HEAL) Program:
Lender's Application for Insurance Claim Form (HEAL 510) and
Request for Collection Assistance Form (HEAL 513)**

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.

This is a request for an extension without burden change of Office of Management and Budget (OMB) approval of the Lender's Application for Insurance Claim Form (HEAL 510) and Request for Collection Assistance Form (HEAL 513). The forms are authorized by the HEAL program.

Section 525 of the Consolidated Appropriations Act of 2014 transferred the collection of the HEAL Program loans from the U.S. Department of Health and Human Services (HHS) to the U.S. Department of Education (ED). To fulfill this mandate, ED received a transfer the information collection of the forms HEAL 510 and HEAL 513 previously identified as OMB Control Number 0915-0036 to OMB Control Number 1845-0127.

There are no changes to the forms that were approved by OMB June 25, 2014. The information collected on both forms is necessary to protect the financial interests of the Federal Government and to assure proper program administration by the current lenders/holders.

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.

Lender's Application for Insurance Claim Form (HEAL 510)

This form represents the official request by the institution for payment of a claim by the government and the institution's certification that all requirements for that payment have been met. When a lending institution files a claim for payment of an insured loan, the lending institution is required to report the reason for the claim, certain information about the claim and the amount of the claim.

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

This form is used to obtain information about the claim and to determine if the lending institution has complied with the statutory and regulatory requirements for payment of the insurance claim. Failure to submit the required documentation or not filing the form promptly may result in a claim being penalized or denied.

Request for Collection Assistance Form (HEAL 513)

In the event that a borrower becomes delinquent on loan payments, the lender must follow a specified sequence of mail and telephone and in-person contacts with the borrower, and must record each attempt to contact each actual borrower or endorser. If the lender is unable to locate either the borrower or the endorser, skip-tracing activities must be initiated and documented. When a borrower is 90 days delinquent, the lender must immediately request pre-claims assistance from ED. Pre-claims assistance consists of three progressively stronger letters urging the borrower to contact their lender before litigation is initiated against the borrower. The default claim will not be paid to the lender if they fail to request pre-claims assistance. Form 513 is filed to request this pre-claims assistance.

This form provides the name and address of the borrower, the last school attended, and the nearest relative or guardian, the current status of the loan, including the original principal, the unpaid principal and interest, interest rate, number of payments made to date, the amount due per month, and the number of payments delinquent. The form is completed by the lender and submitted to ED after all the lenders have implemented the required due diligence. The lenders also send documentation describing all attempts to contact, all contacts, and all skip-tracing attempts.

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 electronic transfer of information for the outstanding HEAL loans is currently done by at least 92 percent of respondents for the form HEAL 513. Form HEAL 510 is available electronically but requires an original signature page from the lender's authorizing official to certify that the information is correct and follows regulation and guidelines.

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 process avoids duplication. There is no other system available that contains the required information.

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.

Submission of the pre-claims assistance form is required by regulation when the borrower is 90-days delinquent in making a payment. A default claim will not be paid if the lender fails to request pre-claims assistance within the specified time. Similarly, the insurance claim will not be honored if it is not submitted in a timely fashion, as required by regulation.

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 1320.5(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.

There has been no change to the underlying statutory or regulatory language. There was a 60-day notice in the Federal Register seeking public comment on these burden calculations. No comments were received. This is the and 30-day notice for public comment.

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.

Disclosure of the applicant's social security number (SSN) is mandatory for participation in the HEAL Program, as provided for by the Debt Collection Act of 1982, and the borrower is advised of this requirement at the time they apply for the loan. Safeguards are followed concerning the use of the SSN in the Privacy Act of 1974.

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,

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)

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.

ED 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.

ED took over the collection of HEAL program loans beginning July 1, 2014. Because there has not been sufficient time to have history to update the burden figures this information collection is being filed using the burden that was assessed at the last collection filing done by HHS. When sufficient processing has been performed by ED this collection will be updated.

HEAL Form 510			
# of Respondents	# of Responses	Hours/Response	Total Hour Burden
13*	364	0.50	182
HEAL Form 513			
# of Respondents	# of Responses	Hours/Response	Total Hour Burden
13*	5,785	0.17	983
TOTALS	6,149	0.67	1,165

*The number of lenders is not totaled as it is the same universe of participants.

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	:	0
Total Annual Costs (O&M)	:	<u>1,820</u>
Total Annualized Costs Requested	:	1,820

There are no capital and startup costs as this activity is not a new one. The following is a breakdown of the O&M costs identified above.

HEAL 510: For the estimated 364 responses a year it will cost the holder/servicer approximately \$5.00 per claim for photocopying the claim folder to retain for their records as the original material must be submitted to ED. 364 x \$5.00 per claim for a total = \$1,820.

Total cost for HEAL 510 and HEAL 513 = \$2,594.00

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 are no costs to the Federal government.

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).

As stated earlier, ED took over the collection of HEAL program loans beginning July 1, 2014, so we are not asking for either a program change or adjustment at this time. We are requesting an **extension of the current collection without change in burden determination** until ED has had time to process a sufficient number of these requests and has data to accurately report any burden 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 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 83-1.