

Health Professions Student Loan (HPSL) Program And Nursing Student Loan (NSL) Program
Administrative Requirements - Regulations and Policy

OMB Control No. 0915-0047

SUPPORTING STATEMENT

A. Justification

1. Circumstances Making the Collection of Information

This is a request for approval for an **extension without change** of the information collections approved under OMB No. 0915-0047 for the administrative regulatory requirements under the Health Professions Student Loan (HPSL) Program and the Nursing Student Loan (NSL) Program. The expiration date for the current approval is 3/31/15 and **no changes** have been made to the regulatory requirements.

The HPSL program, authorized by sections 721-735 of the Public Health Service (PHS) Act (42 USC 292q-292y), provides long-term, low-interest loans to students attending schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatric medicine, and pharmacy. The NSL Program, authorized by sections 835-842 of the PHS Act (42 USC 297a-i), provides long-term, low-interest loans to students who attend eligible schools of nursing in programs leading to a diploma in nursing, an associate degree, a baccalaureate degree, or a graduate degree in nursing. Participating HPSL and NSL schools are responsible for determining eligibility of applicants, making loans, and collecting monies owed by borrowers on their outstanding loans. Schools are required to: (1) invest their HPSL and NSL funds and return earnings from the investments to the HPSL and NSL funds; (2) identify and return to the Department excess cash from the HPSL and NSL funds; and (3) determine the ability to collect of defaulted loans and, for loans determined to be uncollectible, either obtain approval to write off the loans or reimburse the fund for the amount that remains uncollected on the loans. The governing regulations for the HPSL program are §§ 57.201-57.218 and the NSL program are §§ 57.301-57.318.

Approval is requested for the following information collections and regulatory requirements.

RECORDKEEPING REQUIREMENTS

§ 57.206(b)(2) and 57.306(b)(2)(ii), Documentation of Cost of Attendance - In the selection of qualified applicants, the school must document criteria used for determining reasonable costs necessary for the student's attendance at the school.

§ 57.208(a) and 57.308(a), Promissory Note - Each HPSL or NSL loan must be evidenced by a properly executed promissory note in a form approved by the Secretary, and the school must safeguard the note against fire, theft, and tampering.

§ 57.210(b)(1)(i) and 57.310(b)(1)(i), Documentation of Entrance Interview - The school must conduct and document the entrance interview with the borrower prior to disbursing HPSL/NSL funds, to inform him/her of the rights and responsibilities associated with receiving the funds.

§ 57.210(b)(1)(ii) and 57.310(b)(1)(ii), Documentation of Exit Interview - The school must conduct and document the exit interview with the borrower, or if borrower terminates studies without advance notice, the school must document attempts to inform the borrower of the substance of the exit interview and to secure required information from the borrower by mail.

§ 57.215(a) & (d) and 57.315(a)(1) & (a)(4), Program Records - The school must maintain records relating to the operation of its HPSL or NSL funds.

§ 57.215(b) and 57.315(a)(2), Student Records - Approved student applications, documentation of financial need records, and copies of financial aid transcripts must be retained by the school for 5 years after a student ceases to be a full-time student.

§ 57.215(c) and 57.315(a)(3), Repayment Records - Repayment records for each borrower must be retained for at least 5 years from the date of retirement of a loan.

REPORTING REQUIREMENTS

§ 57.206(a)(2) and 57.306(a)(2), Student Financial Aid Transcript (Disclosure) - An applicant who has previously attended an institution of higher education must submit a financial aid transcript.

§ 57.208(c), Loan Disclosure Requirements (Disclosure) - The school must disclose loan information to students who receive HPSL loans at the onset of their studies and prior to the completion or termination of their studies.

§ 57.210(b)(1)(i) and 57.310(b)(1)(i), Entrance Interview (Disclosure) - The school must conduct the entrance interview with the borrower prior to disbursing HPSL/NSL funds, to inform him/her of the rights and responsibilities associated with receiving the funds.

§ 57.210(b)(1)(ii) and 57.310(b)(1)(ii), Exit Interview (Disclosure) - The school must conduct the exit interview with the borrower, or if borrower terminates studies without advance notice, the school must attempt to inform the borrower of the substance of the exit interview and to secure required information from the borrower by mail.

§ 57.210(b)(1)(iii) and 57.310(b)(1)(iii), Notification of Repayment (Notification) - The school must notify the borrower in writing of the impending repayment obligation at least twice during the grace period.

§ 57.210(b)(1)(iv) and 57.310(b)(1)(iv) - Notification during Deferment (Notification) - The school must notify the borrower in deferment status in writing of the impending repayment obligation 1 to 3 months prior to the expiration of the approved period of deferment.

§ 57.210(b)(1)(vi) and 57.310(b)(1)(vi) - Notification of Delinquent Accounts (Notification) - The school must make at least four attempts to contact the borrower regarding past due payments, prior to the loan becoming 120 days past due.

§ 57.210(b)(1)(x) and 57.310(b)(1)(x) - Credit Bureau Notification (Notification) - The school must become a member of a credit bureau and notify the credit bureau of accounts past due by more than 120 days.

§ 57.210(b)(4)(i) and 57.310(b)(4)(i), Write-off of Uncollectible Loans (Reporting) - If a school wishes to request the Department's approval to write off an uncollectible loan, it must do so within 30 days of determining that the loan is uncollectible.

§ 57.211(a) and 57.311(a), Disability Cancellation (Reporting) - The Secretary will cancel a student borrower's indebtedness if found to be permanently and totally disabled, on recommendation of the school and as supported by whatever medical certification the Secretary may require.

§ 57.312(a)(3), Evidence of Educational Loans (Disclosure) - Borrowers must provide evidence of loans for which they are requesting partial payment for service in a health professional shortage area. Under this regulatory section, there have been no repayment activities reportable for NSL since 1982 when the provision was phased out due to lack of Federal funding.

§ 57.215(a)(2) and § 57.315(a)(1)(ii), Administrative Hearings (Reporting) - A school which fails to comply with reporting requirements relating to the operation of its program, and is therefore subject to termination, may submit a request for formal hearing which contains a statement of material, factual issues in dispute.

§ 57.216a(d) and 57.316a(d), Administrative Hearings (Reporting) - A school which fails to comply with requirements to reduce its default rates may submit a request for formal hearing which contains a statement of material, factual issues in dispute.

2. Purpose and Use of Information Collection

These information collections and record keeping requirements are essential for assuring that borrowers are fully informed of the terms and conditions of their loans and are aware of their rights and responsibilities, and that schools know the history and status of each loan account, that they pursue aggressive collection efforts, and maintain adequate records for audit and assessment purposes. The reporting and recordkeeping requirements are to ensure compliance with the authorizing legislation. Schools must maintain adequate records of loan accounts for audit and assessment purposes, and pursue aggressive collection efforts to reduce default rates.

3. Use of Improved Information Technology and Burden Reduction

Schools use automated systems and may select whatever information technology they have available to maintain all records associated with the regulations.

4. Efforts to Identify Duplication and Use of Similar Information

The information requested is unique to the HPSL and NSL program requirements. These requirements will not result in duplication of reporting since schools would not be reporting this kind of information elsewhere.

5. Impact on Small Businesses or Other Small Entities

The information being requested has been held to the absolute minimum required for the intended use of the data.

6. Consequences of Collecting the Information Less Frequently

The information is collected at specified critical intervals of the program and, consequently, could not be collected less frequently without detriment to the success of the program and the financial interest of the Federal Government.

7. Special Circumstances Relating to the Guidelines of- 5 CFR 1320.5(d)(2)

Under P.L. 103-43 the HPSL statute allows for a 10-25 year repayment period at the discretion of the institution (see Sec 134 General Provisions (a)(3)(B)), excluding periods of student status and eligible deferment activities. As a result, student records and repayment records that are part of the loan collections process must be retained for the appropriate repayment period. In addition, the regulations require that student repayment records be retained for 5 years after repayment of the loan.

8. Comments in Response to the Federal Register Notice/Outside Consultation

Section 8A: The notice required by 5 CFR 1320.8(d) was published in the *Federal Register* for “Health Professions Student Loan (HPSL) Program and Nursing Student Loan (NSL) Program Administrative Requirements (Regulations and Policy).” (OMB #0915-0047). One comment was received requesting receipt of the data collection instrument and other materials used. This information was provided.

Section 8B: The following HPSL and NSL schools were contacted by program staff regarding various aspects of the HPSL and NSL programs. They report no problems and there are no unresolved issues.

Health Professions Student Loan Contacts

1. Sherry Glover
Bursar & Director of Student Financial Services

University of Oklahoma Health Sciences Center
P.O. Box 26901, SCB 112
Oklahoma City, Oklahoma 73126
(405) 271-2433 x46363
Sherry-Glover@ouhsc.edu

2. Marta E. Andino
Manager, Student Loan Administration
Midwestern University
555 31st Street
Downers Grove, IL 60515
(630) 515-6352
MAandin@midwestern.edu

Nursing Student Loan Contacts

1. Carol L. Moyer
Loan Collection Coordinator
Baylor University
One Bear Place #97051
Waco, TX 76798-7051
(254) 710-2314
Carol_Moyer@baylor.edu
2. Otto Reyer
Director of Financial Aid
Western University of Health Sciences
309 E. Second St.
Pomona, CA 92617
(909) 469-5350
oreyer@westernu.edu

9. Explanation of any Payment/Gift to Respondents

Respondents will not be remunerated.

10. Assurance of Confidentiality Provided to Respondents

Several records systems were established for the HPSL and NSL Programs, which cover the kinds of records maintained by the schools under these regulations. The system numbers are 09-15-0038, and 09-15-0039.

11. Justification for Sensitive Questions

There are no questions of a sensitive nature.

12. Estimates of Annualized Hour and Cost Burden

Section 12A: The reporting and recordkeeping burden is as follows:

RECORDKEEPING REQUIREMENTS

Regulatory/section requirements	Number of Record keepers	Hours per year	Total Burden Hours
HPSL Program:			
57.206(b)(2), Documentation of Cost of Attendance	50	325	16,250
57.208(a), Promissory Note	90	325	29,250
57.210(b)(1)(i), Documentation of Entrance Interview	40	325	13,000
57.210(b)(1)(ii), Documentation of Exit Interview	80	334	26,720
57.215(a)&(d), Program Records	140	334	46,760
57.215(b), Student Records	70	334	23,380
57.215(c), Repayment Records	150	334	50,100
HPSL Subtotal			205,460

Regulatory/section requirements	Number of Record keepers	Hours per year	Total Burden Hours
NSL Program:			
57.306(b)(2)(ii), Documentation of Cost of Attendance	16	282	4,512
57.308(a), Promissory Note	4.5	282	1,269
57.310(b)(1)(i), Documentation of Entrance Interview	1.5	282	423
57.310(b)(1)(ii), Documentation of Exit Interview	1.5	348	522
57.315(a)(1)&(a)(4), Program Records	21	348	7,308
57.315(a)(2), Student Records	8.5	348	2,958
57.315(a)(3), Repayment Records	5	348	1,740
NSL Subtotal			18,732

HPSL data includes active and closing Loans for Disadvantaged Students (LDS) program schools.

REPORTING REQUIREMENTS

Regulatory/section requirements	Number of Respondents	Responses per Respondent	Total annual responses	Hours per response	Total hour burden
HPSL Program:					
57.206(a)(2), Student Financial Aid Transcript	n/a				
57.208(c), Loan Information Disclosure	325	299.5	97,338	0.63	60,836
57.210(b)(1)(i), Entrance Interview	325	139.5	45,338	0.50	22,669
57.210(b)(1)(ii), Exit Interview	334	113.5	37,909	1.00	37,909
57.210(b)(1)(iii), Notification of Repayment	334	862.5	288,075	0.38	108,028
57.210(b)(1)(iv), Notification During Deferment	334	17	5,678	0.63	3,549
57.210(b)(1)(vi), Notification of Delinquent Accounts	334	172.5	57,615	1.25	72,019
57.210(b)(1)(x), Credit Bureau Notification	334	6	2,004	0.50	1,002
57.210(b)(4)(i), Write-off of Uncollectible Loans	5	1	5	3	15
57.211(a) Disability Cancellation	3	1	3	1	3
57.215(a)(2), Administrative Hearings	0	0	0	0	0
57.215(a)(d), Administrative Hearings	0	0	0	0	0
HPSL Subtotal	334		533,965		306,029

REPORTING REQUIREMENTS Continued

Regulatory/section requirements	Number of Respondents	Responses per Respondent	Total annual responses	Hours per response	Total hour burden
NSL Program:					
57.306(a)(2), Student Financial Aid Transcript					
57.310(b)(1)(i), Entrance Interview	282	17.5	4,935	0.42	2,048
57.310(b)(1)(ii), Exit Interview	348	9	3,132	0.42	1,300
57.301(b)(1)(iii), Notification of Repayment	348	9	3,132	0.27	830
57.310(b)(1)(iv), Notification During Deferment	348	1.5	522	0.29	151
57.310(b)(1)(vi), Notification of Delinquent Accounts	348	42.5	14,790	0.04	592
57.310(b)(1)(x), Credit Bureau Notification	348	709	246,732	0.00	86
57.310(b)(4)(i), Write-off of Uncollectible Loans	23	1	23	3	69
57.311(a), Disability Cancellation	16	1	16	1	16
57.315(a)(1)(ii), Administrative Hearings	0	0	0	0	0
57.316(a)(d), Administrative Hearings	0	0	0	0	0
NSL Subtotal	348		273,282		5,092
TOTAL	348	2,319.67	807,247	.385	311,121

*Includes active and closing schools.

RECORDKEEPING REQUIREMENTS Basis for Burden:

The estimates of burden for the schools are for the maintenance of required records on the history and status for each loan account.

The total burden for the HPSL and NSL schools is **224,192**.

REPORTING REQUIREMENTS Basis for Burden:

The total burden for the HPSL and NSL schools is **311,121**.

12B. The total cost burden for the **recordkeeping** of the HPSL and NSL program is **\$2.8 million** (please see chart below for breakdown). Some of these record keeping burdens are shared with Title IV programs. For those that are shared, we calculated a 50% cost. All others were calculated at 100% cost.

Shared recordkeeping burdens included: Documentation of Cost of Attendance, Documentation of Entrance Interview, Documentation of Exit Interview, Student Records, and Repayment Records

RECORDKEEPING REQUIREMENTS

Regulatory/section requirements	Total Burden Hours	Hourly Wage Rate	Percent of shared time and cost	Total Respondent Costs
HPSL Program:				
57.206(b)(2), Documentation of Cost of Attendance	16,250	17.91	50%	\$145,518.75
57.208(a), Promissory Note	29,250	17.91	100%	\$523,867.50
57.210((b)(1)(i), Documentation of Entrance Interview	13,000	17.91	50%	\$116,415.00
57.210(b)(1)(ii), Documentation of Exit Interview	26,720	17.91	50%	\$239,277.60
57.215(a)&(d), Program Records	46,760	17.91	100%	\$837,471.60
57.215(b), Student Records	23,380	17.91	50%	\$209,367.90
57.215(c), Repayment Records	50,100	17.91	50%	\$448,645.50
HPSL Subtotal	205,460			\$2,520,563.85

Regulatory/section requirements	Total Burden Hours	Hourly Wage Rate	Percent of shared time and cost	Total Respondent Costs
NSL Program:				
57.306(b)(2)(ii), Documentation of Cost of Attendance	4,512	17.91	50%	\$40,404.96
57.308(a), Promissory Note	1,269	17.91	100%	\$22,727.79

57.310(b)(1)(i), Documentation of Entrance Interview	423	17.91	50%	\$3,787.97
57.310(b)(1)(ii), Documentation of Exit Interview	522	17.91	50%	\$4,674.51
57.315(a)(1)&(a)(4), Program Records	7,308	17.91	100%	\$130,886.28
57.315(a)(2), Student Records	2,958	17.91	50%	\$26,488.89
57.315(a)(3), Repayment Records	1,740	17.91	50%	\$15,581.70
NSL Subtotal	18,732			\$244,552.10
TOTAL				\$2,765,115.95

HPSL data includes active and closing Loans for Disadvantaged Students (LDS) program schools.

The total cost burden for the **reporting** of the HPSL and NSL program is **\$4.3 million** (please see chart below for breakdown). Some of these reporting burdens are shared with Title IV programs. For those that are shared, we calculated a 50% cost. All others were calculated at 100% cost.

Shared reporting burdens included: Entrance Interview, Exit Interview, Notification During Deferment, Notification of Delinquent Accounts, and Credit Bureau Notification

REPORTING REQUIREMENTS

Regulatory/section requirements	Total hour burden	Hourly Wage Rate	Percent of shared time and cost	Total Respondent Costs
HPSL Program:				
57.206(a)(2), Student Financial Aid Transcript	n/a			
57.208(c), Loan Information Disclosure	60,836	17.91	100%	\$1,089,572.76
57.210(b)(1)(i), Entrance Interview	22,669	17.91	50%	\$203,000.90
57.210(b)(1)(ii), Exit Interview	37,909	17.91	50%	\$339,475.10
57.210(b)(1)(iii), Notification of Repayment	108,028	17.91	100%	\$1,934,781.48
57.210(b)(1)(iv), Notification During Deferment	3,549	17.91	50%	\$31,781.30
57.210(b)(1)(vi), Notification of Delinquent Accounts	72,019	17.91	50%	\$644,930.15
57.210(b)(1)(x), Credit Bureau Notification	1,002	17.91	50%	\$8,972.91

57.210(b)(4)(i), Write-off of Uncollectible Loans	15	17.91	100%	\$268.65
57.211(a) Disability Cancellation	3	17.91	100%	\$53.73
57.215(a)(2), Administrative Hearings	0	17.91	100%	\$0
57.215(a)(d), Administrative Hearings	0	17.91	100%	\$0
HPSL Subtotal	306,029			\$4,252,836.98

REPORTING REQUIREMENTS Continued

Regulatory/section requirements	Total hour burden	Hourly Wage Rate	Percent of shared time and cost	Total Respondent Costs
NSL Program:				
57.306(a)(2), Student Financial Aid Transcript	n/a			
57.310(b)(1)(i), Entrance Interview	2,048	17.91	50%	\$18,339.84
57.310(b)(1)(ii), Exit Interview	1,300	17.91	50%	\$11,641.50
57.301(b)(1)(iii), Notification of Repayment	830	17.91	100%	\$14,865.30
57.310(b)(1)(iv), Notification During Deferment	151	17.91	50%	\$1,352.21
57.310(b)(1)(vi), Notification of Delinquent Accounts	592	17.91	50%	\$5,301.36
57.310(b)(1)(x), Credit Bureau Notification	86	17.91	50%	\$770.13
57.310(b)(4)(i), Write-off of Uncollectible Loans	69	17.91	100%	\$1,235.79
57.311(a), Disability Cancellation	16	17.91	100%	\$286.56
57.315(a)(1)(ii), Administrative Hearings	0	17.91	100%	0
57.316(a)(d), Administrative Hearings	0	17.91	100%	0
NSL Subtotal	5,092			\$53,792.66
TOTAL	311,121			\$4,306,629.65

The wage rate used was 43-3031 Bookkeeping, Accounting, and Auditing Clerks.
<http://www.bls.gov/oes/current/oes433031.htm>

13. Estimates of other Total Annual Cost Burden to Respondents or Recordkeepers/Capital Costs

There are no maintenance or operating costs. Respondents maintain the required information for their own purposes and the reports are generated automatically. The computers used to generate the reports have been acquired for usual and customary school operations.

14. Annualized Cost to the Federal Government

The total cost to the Federal Government to perform the review of requests for cancellation is \$8,570.

Disability Cancellations (a GS 12 step 5 at 10% of the time is \$8,570)

15. Explanation for Program Changes or Adjustments

There are currently 49,487 hours in the inventory for the HPSL/NSL regulatory requirements. This submission is for approval of 311,121 total burden hours, for an increase of 261,634 hours.

The increase in the estimate of burden hours is due to new contacts providing estimates that were very different from the last group of contacts. This time we sampled respondents that used both electronic and paper processes. This scenario better represented the group of respondents.

16. Plans for Tabulation, Publication and Project Time Schedule

There are no plans for tabulation, statistical analysis or publication of the information maintained by the schools.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

No exemption is being requested.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This information fully complies with the guidelines in 5 CFR 1320.9. The certifications are included in this package.