

SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
Federal Perkins Loan Assignment Form and Instructions

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 U.S. Department of Education (the Department) is authorized to accept Federal Perkins Loan (Perkins Loan) Program assignments under Section 463(a)(5) of the Higher Education Act of 1965, as amended. Institutions participating in the Perkins Loan program, including loans made under the National Direct/Defense Student Loan Program (NDSL), use the form (OMB Control Number 1845-0048) to assign loans to the Department for collection without recompense. This request is for approval of the assignment form which allows for assignment of Perkins Loans either individually or in a batch format, utilizing either the current paper based or new electronic filing format.

An institution may use the form to assign one or more loans to the Department at any time throughout the year. Some conditions under which an institution could utilize the assignment form include defaulted loans, total permanent disability discharges, voluntary withdrawal from the program, termination from the program, closure of the institution and liquidation of its Perkins Loan portfolio.

In response to the “Terms of Clearance” from the last OMB Notice of Approval, the Department is implementing a system that will allow schools to submit the Perkins loan assignment information electronically. The full electronic format for submission of the assignment form and information will be available to eligible participating institutions. To access the site, the institution must have been provided system access which allows for an electronic signature to complete the electronic submission. Additional information for implementation is available in the [electronic announcement](#) published April 22, 2015 and in the [electronic announcement](#) published September 21, 2015.

Additionally, the paper process, which has not changed, allows the institution to complete the blank form which may be printed and completed for each loan being assigned before filing the assignment package manually.

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 Perkins Assignment Form is the transmittal document for the assignment process. It collects pertinent information required by the Department from the institution to support the loans being submitted for assignment and liquidation of its Perkins Loan portfolio. It also transfers to the Department the legal authority to collect on loans that are not eligible for a regulatory cancellation. Schools may assign loans to the Department in an effort to end their loan servicing responsibilities and to reduce the collection costs.

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.

As noted above the Department is implementing a new system to allow for electronic submission of this form using the Perkins Loan Assignment System (PLAS). This system allows for individual or batch processing of assignments with the institutions uploading electronic versions of the supporting documentation. While the paper assignment filing and mailing process continues to be an option, the Department expects that many institutions will opt to use the batch functionality of PLAS.

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 duplication of data as a result of the collection of this 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.

The Department anticipates that the ability of an institution to batch Perkins Loan assignments using the PLAS will mitigate any impact on affected small businesses.

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.

If this collection is not conducted, Perkins loans would not be able to be assigned. The frequency and timing of reporting will vary with the reason the institution is reporting the information.

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 these special circumstances.

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 Department receives input from the schools participating in the Perkins Loan program through numerous conferences attended by Department employees, such as the National Association of College and University Business Offices (NACUBO), the

National Association of Student Financial Aid Administrators (NASFAA), and the Coalition of Higher Education Assistance Organizations (COHEAO) conferences. COHEAO represents Perkins schools, Perkins loan servicers, and Perkins loan collection agents.

Additionally, the community and other interested parties will be given the opportunity to provide input on the forms 60-day and 30-day public comment periods provided for by the Federal Register notices. During the 60-day comment period one public comment was received. The Department's response to the commenter is attached.

This is the request for the 30-day public comment notice.

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

The Department provides no payment or gifts 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 Department will comply with the Privacy Act on the applications of information collected through the Perkins Assignment Form. This information collection does not include a Privacy Act Notice to borrowers because borrowers are not providing this information to the Department but to their schools, which must comply with the Family Education Rights and Privacy Act (FERPA). When the Department receives this information further disclosure is restricted under our current systems of records notice, which 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.

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 Department is not requesting any sensitive data as described above in this collection package.

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.

The number of annual responses and burden hours are estimated based on recent usage. The number of submissions reported here is based on the actual submissions of assignment forms to the Department.

The total number of Perkins loan assignment forms received by the Department in 2014 was 19,630. Of these there were 15,096 assignment forms accepted for processing by the Department. The estimated response time to complete the form in this submission is 0.5 hours (30 minutes). The burden estimate for each form in this information collection was calculated as follows:

<u>Current Inventory</u>	<u># of Respondents</u>	<u># of Responses</u>	<u>Burden Hours</u>
	446	14,055	7,028
<u>Revised Inventory</u>			
Not-for-profit	171	6,642	x 0.5 = 3,321
For-Profit	38	1,510	x 0.5 = 755
Public	<u>180</u>	<u>6,944</u>	x 0.5 = <u>3,472</u>
	<u>389</u>	<u>15,096</u>	<u>7,548</u>

While the number of respondents has decreased by 57, the number of responses and hours has increased by 1,041 and 520 respectively.

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)	:	
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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.

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 this information collection is \$305,641.00. This is the cost for review and entry of this information.

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).

The Department is requesting a revision of the current Perkins Loan Assignment form to include electronic processing. While we are identifying a downward adjustment in the number of respondents (-57) we are noting an upward adjustment in the number of assignment forms being filed (+1,041) and the hours associated with the assignment process (+520) based on the collection information available on use of the form and process for 2014, not on changes to the regulations. The burden change is an adjustment based on a re-estimation of usage of the form.

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.

The Department is not seeking this approval.

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

There are no exceptions to the certification statement.