Under proposed §682.208(j)(1), (6), and (7), a FFEL Program loan holder, including a guaranty agency, must match its servicing system, including borrowers, co-borrowers, and endorsers, against the DMDC to determine whether the borrower is eligible to receive an interest rate reduction under the SCRA.

There are approximately 151 not-for-profit loan holders that hold loans for approximately 2,738,171 borrowers. We estimate that 1 percent of borrowers are actually eligible for the SCRA interest rate limit.

For proposed §682.208(j)(1), (6), and (7), we estimate that it will take each loan holder approximately 3 hours per month to extract applicable data from their servicing systems, format it to conform to the DMDC file layout, perform quality assurance, submit the file to the DMDC, retrieve the result, import it back into their systems, perform quality assurance, and then, to the extent that the borrower or endorser is or was engaged in qualifying military service, apply, extend, or end the SCRA interest rate limitation.

Under proposed §682.208(j)(1), (6), and (7), for not-for-profit loans holders, we estimate that this regulation will increase burden by 5,436 hours per year (151 not-for-profit loan holders multiplied by 3 hours per month multiplied by 12 months).

Under §682.208(j)(8), a FFEL Program loan holder, including a guaranty agency, must refund overpayments created by the application of the SCRA interest rate reduction to a loan that was in the process of being paid-in-full through loan consolidation at the time the interest rate reduction was applied by returning the overpayment to the holder of the consolidation loan.

For §682.208(j)(8), we estimate that it will take each loan holder 1 hour per borrower to refund overpayments for borrowers who have consolidated their loans. Over the past six months, 69 percent of the borrowers who consolidated we estimate are potentially eligible for the SCRA interest rate limit. We further estimate that 0.1 percent of those consolidation loans would create an overpayment that would require a loan holder to issue a refund to the holder of the consolidation loan.

Under §682.208(j)(8), for not-for-profit loan holders, we estimate that this regulation will increase burden by 19 hours per year (2,738,171 borrowers with loans held by not-for-profit loan holders multiplied by 1 percent of borrowers who are eligible for the SCRA interest rate limit multiplied by 69 percent of borrowers who have consolidated multiplied by 0.1 percent).

Under §682.208(j)(9), a FFEL Program loan holder, including a guaranty agency, must refund overpayments created by the application of the SCRA interest rate reduction by returning the overpayment to the borrower.

For §682.208(j)(9), we estimate that it will take each loan holder 1 hour per borrower to refund overpayments for borrowers for whom the application of the SCRA interest rate limit caused their loan to be overpaid. We estimate that 0.05 percent of borrowers who have the SCRA interest rate limit applied would result in an overpayment.

Under §682.208(j)(9), for not-for-profit loan holders, we estimate that this regulation will increase burden by 14 hours per year (2,738,171 borrowers with loans held by not-for-profit loan holders multiplied by 1 percent of borrowers who are eligible for the SCRA interest rate limit multiplied by 0.05 percent

TOTALS

Responses	1,845
Respondents	151
Burden Hours	5,469