

SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
National Student Loan Data System Data Collection

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.*

Title IV, Part G of the Higher Education Act of 1965, as amended by the 1998 Amendments to the HEA (P.L. 105-244) section 485B, requires the Secretary of Education to establish a National Student Loan Data System (NSLDS) that contains information about Federal Family Education Loan (FFEL) Program loans, Federal Perkins loans (including National Direct Student Loans and National Defense Student Loans), William D. Ford Direct Student loans (Direct Loan), Federally Insured Student Loans (FISLs) and Federal Grants (including PELL, Academic Competitiveness Grants (ACG), National Science and Mathematics Access to Retain Talent (SMART) and Teacher Education Assistance for College and Higher Education (TEACH) Grants.

NSLDS is used for research, policy analysis, monitoring student enrollment, identifying loan holders and servicers, calculating default rates, monitoring program participants, and verifying student aid eligibility. This is a request for a revision to the current information collection 1845-0035.

Previously monitoring student enrollment as required by 34 CFR 685.309, expanded the NSLDS data collection requirements. Ensuring that students are fully informed of the terms and conditions of loan repayment require that institutions perform exit counseling (34 CFR 685.304) to students that graduate or withdraw and inform the secretary that counseling was complete NSLDS data collection was enhanced to collect this data from institution. The burden for this reporting is now collected under 1845-0116.

Likewise, under the Gainful Employment final rule, 34CFR Parts 600 and 668, the Secretary was required to amend regulations on institutional eligibility under the Higher Education Act of 1965, as amended (HEA), and the Student Assistance General Provisions to establish measures for determining whether certain postsecondary educational programs prepare students for gainful employment in a recognized occupation, and the conditions under which these educational programs remain eligible under the Federal Student Aid (FSA) programs authorized under title

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

IV of the HEA. To comply with the Gainful employment regulations NSLDS collects data from schools to calculate the Gainful Employment compliance measures. This burden is now collected under 1845-0123 and 1845-0137.

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.*

NSLDS collects data from and shares data with the following sources:

- **Access and Identity Management System (AIMS)**—AIMS authorizes users with a single sign-on to access multiple FSA systems. With AIMS, NSLDS users are able to access the [NSLDS Professional Access](#) Web site using their FSA User ID and password for identity authentication.
- **Aid Data Mart (ADM)**—NSLDS sends monthly and annual feeds of selected summary loan data to ADM. Also included in a separate monthly feed are federally held loan-level data.
- **Central Processing System (CPS)**—As part of the external matches performed, CPS sends to NSLDS a daily prescreening feed, by award year, identifying applicants for new or additional Title IV aid. NSLDS returns to CPS financial aid history data, to be included on the ISIR, for those applicants found in the NSLDS database. In addition, CPS submits demographic data (e.g. Demographic Data Exchange File) on a daily basis. NSLDS loads the student demographic data into the database after a student/borrower has been created as a result of a data provider reporting Title IV aid associated with the student/borrower. After a student/borrower has been prescreened for a specific award year, NSLDS notifies CPS when eligibility has changed using the postscreening process.
- **Common Origination and Disbursement (COD)**—COD sends multiple feeds to NSLDS. Grant data is sent to NSLDS in a daily feed containing data on Federal Pell, ACG, and National SMART Grants. Direct Loan Origination data is sent to NSLDS on a daily basis. COD provides Loan Exit Counseling information on a daily basis. NSLDS in turn has multiple feeds to COD. NSLDS sends to COD information regarding student eligibility, loans, as well as information regarding subsidized usage limit. NSLDS also distributes Cohort Default Rates to COD on a weekly basis, in order for COD to allow single-disbursement benefits to eligible schools.
- **Debt Management and Collections System (DMCS)**—DMCS sends NSLDS a weekly file containing data on all loans held by ED in the Debt Management and Collections System portfolio including FISLs, National Direct/National Defense loans, Perkins loans, FDLP loans, FFELP loans, and TEACH loans. It also sends ED-held overpayments and fraudulent grants.
- **E-mail**—NSLDS sends e-mails to various users for various purposes. For example, batch processing completion notices are sent to FSA/NSLDS members; for ED and ED Contractor, new user access including User ID notices are sent to ED users and Contractor's Security Point(s) of Contact; Late Enrollment Reporting notices are sent to school's enrollment reporting Points of Contact; and so on. All NSLDS-originated e-mails are sent to ED's e-mail server, which then distributes them over the Internet.

- **Federal Loan Servicers** (Department contracted servicers)—Federal Loan Servicers send weekly data files, as described in the NSLDS Data Provider Instructions (DPI), containing data on FFELP loans that have been sold to the Department as well as FDLP loans, TEACH grants and various other Title IV aid data elements. NSLDS sends Enrollment Reporting data and Exit Counseling Completion data to Federal Loan Servicers on a weekly basis. Federal Loan Servicers (also identified on the [NSLDS Professional Access](#) Web site as ED Servicers), include the original Title IV Additional Servicers (TIVAS) and Not For Profit (NFP) organizations. The Federal Perkins Servicer, which services federally held Perkins loans, is included in this group.
- **Federal Student Aid Information Center (FSAIC)**—NSLDS sends financial aid history data for any student/PLUS borrower found in the NSLDS database based on a “real time” request from FSAIC. This interface is to support the FSAIC Integrated Voice Response System (IVR) to student/borrowers who choose to hear information about their aid history.
- **Financial Management System (FMS)**—The Department of Education’s FMS sends NSLDS a daily file that contains changes to the lender and lender servicer participation information as well as a quarterly file that contains changes to interest rates and special allowances. NSLDS provides summarized data about new guarantees, cancellations, and disbursements, as well as data about Outstanding Principal Balance (OPB) on open loans that support Account Maintenance Fee (AMF) payments by FMS. Additionally, ED’s FMS provides Treasury summary data for the Loan Purchase Program (PUT loans).
- **FSA Enterprise Data Warehouse and Analytics (EDW&A)**—Student and Enrollment data is provided to the warehouse on a monthly basis.
- **Guaranty Agencies (GAs)**—GAs, or their servicers, send NSLDS, at a minimum, a monthly feed containing data on FFELP loans held by lenders, lender servicers, or by the GA itself. A Web page on the [NSLDS Professional Access](#) Web site allows GAs to set their submittal schedules and view submittal details. NSLDS sends Enrollment Reporting data and Exit Counseling Completion data to GAs on a weekly basis. NSLDS also sends Reasonability data monthly and annually to GAs, and sends backup detail data for AMFs quarterly. GAs also have ad hoc reporting capabilities to submit any Teacher Loan Forgiveness (TLF) data or information about loans that are partially or totally discharged for NSLDS to store and display.
- **Health and Human Services (HHS)**—NSLDS receives financial aid history requests from HHS using the ISE web service. In return, NSLDS sends financial aid history data to HHS using the ISE web service.
- **Integrated Student Experience (ISE)**—NSLDS sends financial aid history data in JSON format for display and download via the MyStudentData Download option on the [StudentAid.gov](#) web site. NSLDS authenticates the student using the FSA User ID supplied on [StudentAid.gov](#) by the student, then NSLDS pushes data to ISE.
- **Lenders/Lender Servicers**—Approved FFEL Lenders or Lender Servicers can access NSLDS information through the [NSLDS Professional Access](#) Web site. Loans that were sold from the FFELP to ED as part of the Loan Purchase Program (PUT loans) were provided weekly to NSLDS at the same time the data was being provided to the ED’s FMS. NSLDS also makes Enrollment Reporting data and Exit Counseling Completion data available to Lenders and Lender/Servicers.

- **Office of the Inspector General (OIG)**—NSLDS sends data on a monthly basis to the OIG for purposes of populating the OIG Data Analytic System (ODAS) Data Warehouse. The data sent consists of both transactional data limited to changes that have occurred in select tables and non-transactional data that provide the entire content of tables.
- **Ombudsman**—Ombudsman sends batches of student identifiers to NSLDS, as needed. NSLDS returns loan details to be used in the Ombudsman’s research.
- **Participation Management (PM)**—PM sends NSLDS daily files containing data on external organizations and persons who have enrolled for NSLDS batch and online services. Files include organizations that will exchange batch files via SAIG with NSLDS and individual online users who will access and perform functions on the [NSLDS Professional Access](#) Web site. As an outbound service, NSLDS sends a daily file to PM containing information about Guaranty Agencies, Lenders/Lender Servicers received from FMS, and school data received from the Postsecondary Education Participants System. NSLDS also sends a file of users whose online access is to be removed due to inactivity or suspicious activity.
- **Person Authentication Service (PAS)**—The system used to authenticate student, parent or borrower identity for accessing federal student aid information systems including the NSLDS Student Access Web site. With PAS, the user establishes a username and password that becomes the FSA User ID for FSA interfaces. The PAS replaced the formerly used authentication method of using the Personal Identification Number (PIN).
- **Postsecondary Education Participants System (PEPS)**—PEPS sends NSLDS a daily file of all schools, which is used to update the school tables on the database. NSLDS also provides a means to convert Campus-Based School codes, FFEL School IDs, Federal School Codes, and Pell Institution codes, to Office of Postsecondary Education Identifiers (8 digit OPEIDs). NSLDS provides online users with a Web page on the [NSLDS Professional Access](#) Web site detailing current school information.
- **Schools**—Schools, or their servicers, send NSLDS data on Perkins loans on a monthly basis via an SAIG batch submission. School online users access the [NSLDS Professional Access](#) Web site to view a student/borrower’s financial aid history information, and/or report Pell, ACG, National SMART, TEACH Grant, Perkins, Federal Supplemental Educational Opportunity Grant (FSEOG), and Iraq and Afghanistan Servicer Grant (IASG) overpayments. Student enrollment status and program-level data for 150% Direct Subsidized Loan Limit is reported on a scheduled and an ad hoc basis as required by ED either via SAIG batch submission, spreadsheet upload, or online update. Schools participate in the Transfer Student Monitoring (TSM) process to supply and update a list of students identified as transferring from one institution to another during an academic year. NSLDS sends Exit Counseling Completion data to schools for Loan Exit Counseling completed on [StudentLoans.gov](#) or TEACH Exit Counseling completed on the [NSLDS Student Access](#) Web site, and schools may upload their own Exit Counseling data to the [NSLDS Professional Access](#) Web site via a spreadsheet upload submittal.
- **Social Security Administration (SSA)**—Schools provide information regarding their Gainful Employment (GE) Programs to NSLDS. NSLDS extracts information regarding those students who have completed a GE Program and sends the information on those students to SSA. SSA responds to NSLDS with aggregated information regarding the average income of all students provided by program. This information is then used as input to the GE Rate Calculations.

- **Student Aid Internet Gateway (SAIG)**—SAIG is a private and secure, wide area network (WAN) that serves as a store-and-forward file transfer service, via destination point mailboxes, between the Federal Student Aid Title IV Application Systems and the user community, including NSLDS as one of its many end user systems.
- **Total and Permanent Disability (TPD)**—The TPD Federal Loan Servicer sends to NSLDS a weekly file containing data on loans assigned to the Department of Education (ED) because borrowers have applied for debt forgiveness due to total and permanent disability. TPD reports permanent or conditional discharges or notifies NSLDS that the loan has been returned to a non-disability status.

NSLDS performs the following administration functions:

- **150% Direct Subsidized Loan Limit**—NSLDS uses subsidized usage data from COD and Program Enrollment data from schools to calculate and maintain the borrower Maximum Eligibility Period and Remaining Eligibility Period under the 150% Direct Subsidized Loan Limit. NSLDS evaluates SULA-eligible loans for Loss of Subsidy under the limit, and notifies the appropriate Federal Loan Servicer of any loan that has lost subsidy under this limit.
- **Aid Overpayment**—The [NSLDS Professional Access](#) Web site Aid Overpayment function allows data providers to update NSLDS when a student owes or repays an overpayment on a Pell, ACG, National SMART, TEACH Grant, FSEOG, IASG, or Perkins loan. This function also facilitates the reporting of fraud by schools and DMCS. Adding of an active overpayment triggers a message that borrowers are ineligible for aid.
- **Audit Support**—Audits and risk assessments are supported by a combination of audit logs, audit reports, Web and database queries.
- **Cohort Default Rate (CDR) Calculations**—NSLDS calculates draft and official default rates for schools participating in FFELP and FDLP, lenders/lender servicers, and GAs. NSLDS stores the numerator, denominator, and backup detail, and processes appeal rates. The cohort default rates are made available to each organization through the [NSLDS Professional Access](#) Web site. The school rates are made available to schools through the electronic CDR (eCDR) process. NSLDS determines eligibility for sanctions or benefits based on CDRs, and sends letters to schools on behalf of the Operations Performance Division (OPD), notifying schools of their sanction or benefit status. OPD users can override sanction or benefit status or request CDR web reports on the NSLDS Professional Access site.
- **Credit Reform Act Support**—The Credit Reform Act and related OMB circulars require the Department to identify loans by loan program, cohort year, and risk category. NSLDS is the Department's only source of this loan-level data. NSLDS makes available the data the Department's Budget Services requires for this purpose.
- **Customer Support**—NSLDS personnel from the Customer Support Center (CSC), Business Operations Support (BOS), Data Integrity Group (DIG), and Quality Assurance (QA) document, research, negotiate, and resolve NSLDS data conflicts, as well as assist data providers with data submissions and NSLDS users with all web functionality.
- **Enrollment Reporting**—NSLDS generates and sends Enrollment Reporting Rosters to schools. Schools or their servicers (often the National Student Clearinghouse) can respond to the reports by batch submission (via SAIG or spreadsheet upload submittal) or

by entering data online. NSLDS then updates its database to reflect any changes in student enrollment status or program enrollment data and forwards enrollment status change data to the loan-holding community. Statistics for the percentage of students certified and the percentage of students certified with program enrollment data are also available on the NSLDS Web site.

- **Exit Counseling**—TEACH Grant Exit Counseling is provided on the [NSLDS Student Access](#) Web site located at www.nsls.ed.gov. Through a secure logon, students can access their financial aid information, as stored on NSLDS. The TEACH Grant Exit Counseling tool explains the requirements to maintain grant status and also details the relevant loan information if the TEACH grant is converted into a Direct Unsubsidized Loan. The tool requires students to complete a quiz to ensure understanding, collects information to assist in the activity of skip-tracing, and presents students with a budget calculator. NSLDS only provides TEACH Grant Exit Counseling. Exit Counseling data (for Loan and TEACH) is also reported to GAs, Federal Loan Servicers, and schools.
- **Federal Emergency Management Agency (FEMA)**—NSLDS provides an interface with FEMA for individuals affected by disasters. Through the application process, disaster victims can apply for assistance on FEMA's Web site and will be given the opportunity to review their FSA information that is stored in NSLDS. The interface takes applicants seamlessly to the [NSLDS Student Access](#) Web site where they must enter their FSA User ID established using PAS.
- **Gainful Employment (GE)**—NSLDS collects data on students enrolled in gainful employment programs from schools that participate in the Title IV Aid Programs. Data collection is based on award year participation and is provided by institutions through batch and online submissions.
- **Gainful Employment (GE) Rate Calculations**—NSLDS calculates the various rates and ratios for schools participating in Gainful Employment (GE) Programs. NSLDS stores the numerator, denominator, and backup detail information regarding these rates. The GE Rates and Ratios are made available to each organization through the [NSLDS Professional Access](#) Web site.
- **Income Driven Repayment (IDR) Information**—NSLDS processes and stores information about electronic applications for IDR programs reported by COD, Federal Loan Servicers, and participating FFEL lenders and lender servicers. This information is used to create summary-level report extracts about IDR applications and programs which are available for download by authorized users on the [NSLDS Professional Access](#) Web site.
- **Loan Purchase Program (PUT)**—NSLDS matches FFELP records that have been purchased by ED and are now reported from a Federal Loan Servicer. NSLDS applies the servicers' loan identifier to the record to facilitate continued reporting and updating by the servicer. NSLDS also provides online match resolution options to allow the servicer to indicate loans for which they now have reporting responsibility but was not updated based on data provided from the servicer.
- **Online Loan Update**—NSLDS allows approved GAs, federal loan servicers, and designated ED users to update their agency's loan data via the Web. This instantaneous update feature helps to reduce the turnaround time for problem resolution and error corrections.
- **Postscreening for Title IV Aid Eligibility**—For each award year, NSLDS postscreens

Title IV aid applicants to identify those whose eligibility status has changed since the time of their original, or most recent SAR/ISIR, aid application. The process screens for default, overpayment, and fraud convictions, as well as loan eligibility criteria.

- **Preparation of Financial Aid History (FAH) Information**—NSLDS generates FAH information and forwards a subset of a borrower’s history to CPS as part of the prescreening/ISIR process. NSLDS also generates a borrower’s entire FAH, consisting of borrower-level flags/indicators, aggregate loan amounts, loan, grant and overpayment details, outside the prescreening process in response to ad hoc FAH requests from schools. These requests can be made online or by SAIG batch submittal, and are part of Transfer Student Monitoring. GAs can make FAH requests by SAIG batch submittal and the data response(s) are restricted to borrowers with whom they hold or held a loan. The FAH information they receive contains only borrower and loan data. No grant information is included in the FAH for GAs.
- **Prescreening for Title IV Aid Eligibility**—NSLDS prescreens all Free Application for Federal Student Aid (FAFSA) applicants for Title IV Aid, or when other criteria is met subsequent SAR/ISIR transactions, to identify those applicants who go into/out of default on an existing Title IV loan; who owe/paid overpayments on Pell, ACG, National SMART Grants, TEACH Grants, FSEOGs, IASG, or Perkins loans; or who have come close, exceeded or resolved aggregate loan limits, or other changes in aid that impact a borrower’s eligibility.
- **Reaffirmation Information**—NSLDS processes, stores and displays reaffirmation information reported by FFELP lender/lender servicers and Federal Loan Servicers (FLS) on the [NSLDS Professional Access](#) and the [NSLDS Student Access](#) Web sites. This information is used by schools when considering the awarding of additional Title IV aid. In additions, the NSLDS postscreening process monitors and provides notification of reaffirmation changes to CPS for inclusion on the ISIR. **Note:** Reporting reaffirmation data to NSLDS is required of our federal loan servicers and optional for FFEL Program lenders and lender servicers.
- **Real Time Data Inquiries**—NSLDS generates financial aid information in response to “real time” requests from ED applications. The following applications use this functionality:
 - [StudentLoans.gov](#) using extensible markup language (XML)
 - Direct Loan Consolidation
 - FACT (Financial Awareness Counseling Tool)
 - IDR (Income Driven Repayment) Application
 - FSAIC Integrated Voice Response (IVR) System
 - [StudentAid.gov](#) using JavaScript Object Notation (JSON)
 - Health Resources and Services Administration (HRSA) using JavaScript Object Notation (JSON)
- **Repayment (Notional) Information**—NSLDS provides schools summary and detail student repayment data for informational purposes.
- **Security Control**—ED and Contractor User IDs, and the access these IDs have to NSLDS resources, are maintained by the Systems Security Officer (SSO)/Alternate via the [NSLDS Professional Access](#) Web site.
- **Security Monitoring**—NSLDS provides monitoring tools that an organization’s PDPA and FSA can use to ensure that users are compliant with the NSLDS rules of access.

NSLDS systematically monitors and provides e-mail notifications to PDPAs so they are alerted and can take the appropriate and necessary actions. NSLDS provides an ad hoc Adobe PDF reporting capability to help monitor user activities, as well as reports delivered via SAIG mailboxes.

- **Subsidy Override**—NSLDS allows approved ED users to override the Actual Subsidized Usage Period values and the Subsidy Status values determined by NSLDS for award origination records. This instantaneous update feature helps to reduce the turnaround time for problem resolution and error corrections.
- **Transfer Student Monitoring (TSM)**—NSLDS receives school profile and transferring student information via [NSLDS Professional Access](#) Web site pages and/or SAIG batch submissions. NSLDS monitors each of these students for specific changes in loan and Pell, ACG, National SMART, and TEACH Grant status. NSLDS reports these changes to schools via Web pages or SAIG batch files. TSM alert e-mails are provided to the designated TSM point of contact. NSLDS Customer Service and authorized FSA Program Compliance personnel have access to view a school’s [NSLDS Professional Access](#) Web site TSM pages to provide support and oversight.
- **Web Inquiries**—NSLDS has 2 websites available for online inquiries: one site is for financial aid professionals and the other site is for students.
 - NSLDS provides the [NSLDS Professional Access](#) Web site for schools, state grant agencies, eligible and approved GAs, Federal Loan Servicers, lenders and lender servicers, students, and ED and its contractors to view NSLDS data. Depending on user access, the Web site also provides a list of ad hoc or scheduled reports that can be requested to receive organization-specific data from NSLDS.
 - For students, NSLDS provides the MyStudentData Download option, available on [NSLDS Student Access](#) Web site, where they can download their entire grant, loan, and overpayment financial aid history with data provider contacts. To help protect a student’s/borrower’s personally identifiable information (PII) data, NSLDS masks SSNs on Web pages.

NSLDS performs the following operations support functions:

- **Assessment of FFELP, FDLP, and Other Program Administration**—NSLDS supplies data used in short- or long-term studies aimed at determining the effectiveness of particular loan program practices.
- **Audit and Program Review Planning**—NSLDS supplies auditors and program reviewers with data on specific organizations and on key indicators used to schedule audits and program reviews for maximum effectiveness. ED’s contractor supports various security audits.
- **Budget Analysis and Development**—NSLDS data on loan program performance are used to support assumptions for estimating the long-term budgets for FSA programs. These data are also used to answer budget-related questions and to support “what-if” analyses.
- **Freedom of Information Act (FOIA) requests**—NSLDS completes FOIA requests when they meet established guidelines.
- **Loan Participation Program (LPP)**—NSLDS contains data regarding Custodian and Sponsor lending organizations that are part of the ECASLA enacted funding process that

allows participation interest agreements with ED. NSLDS links loans on NSLDS with the Custodian or Sponsor records received from FMS.

- **Loan Transfer Tracking**—NSLDS preserves historical data on loan holders and loan sales dates used to understand secondary market activity, identify potential problems with loan program participants, assist borrowers in locating lenders or GAs associated with their loans, and assessing the administration and billing practices of Title IV loan programs.
- **Monitoring GA and Lender Financial Reporting for Reasonability**—NSLDS supplies ED personnel with the detailed-level information needed to assess the reasonability of financial reporting from GAs and lenders based on changes in loan portfolios, loan status, loan balance information, and other loan details. NSLDS performs monthly and annual reasonability calculations for GAs.
- **Payment Support of Account Maintenance Fees (AMFs) to GAs**—NSLDS provides data about Outstanding Principal Balance (OPB) on open loans that support AMF payments by FMS. With the change to supporting origination of only Direct Loans, the LPIF is no longer calculated for GAs.
- **Research Studies and Policy Development**—NSLDS supports long-term research studies and short-term policy development by providing ED with current detailed and aggregated loan, grant, and student data.

In addition to these specific operational support functions, NSLDS performs the following general activities:

- Generates statistically valid extracts of the production database.
- Incorporates and supports data standardization.
- Interfaces with Government-provided telecommunications links.
- Maintains a training database.
- Maintains demographic data on recipients and institutions.
- Maintains organization contact information for ED Regions, the federal loan servicers, schools, GAs, Lenders, Lender Branch servicers, and state agencies.
- Meets data currency requirements.
- Meets performance and response standards.
- Monitors user access and provides FSA with data of users that fall outside of acceptable usage parameters.
- Preserves data security and confidentiality as required under the Privacy Act of 1974, as amended.
- Provides output in formats that support executive information systems.
- Provides subject matter experts (SMEs) to interface with the user community and to provide input for new functionality.
- Provides support for Web site access.
- Receives and processes new, changed, and removed user information from Participation Management.
- Supports prevention and resolution of errors.

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 Department of Education has selected an Information Engineering (IE) methodology using Computer Aided Systems Engineering (CASE) tools to design and maintain NSLDS. This enables the Department to provide and maintain verification and formatting software for most data providers (i.e., those who use MVS and MS/DOS operating systems). The Department provides software specifications to data providers using other operating systems. In addition, the Department is accepting all data electronically to reduce the burden associated with data entry and forms handling.

The Department provides data provider tools that allow schools and guaranty agencies to enter data directly online by individual updates, mass record uploads from the provider's PC to NSLDS online. This is especially useful for guaranty agencies when error's impacting a student's eligibility need to be quickly resolved or when a school wants to ensure that borrower's received in-school deferments in a timely manner.

The Department has also consulted extensively with the Community regarding system design to ensure that the design places the least possible burden on data providers for example; an extract-based approach for providing data to NSLDS was developed based upon input from schools and guaranty agencies, as well as upon design considerations. This includes allowing all data providers to establish their own reporting schedules to NSLDS (with monthly being the minimum) as long as it is provided within NSLDS reporting guidelines. This offers the simplest requirement for data providers, while maximizing the potential for timely submission of accurate data from the community. Finally, taking advantage of the central NSLDS database to perform Enrollment Reporting and Transfer Student Monitoring streamlines these processes and enables schools that wish to automate their own processes to do so. Schools are able to update individual enrollment information through the NSLDS web site, streamlining the school's administration of enrollment tracking.

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 Department reviewed its existing Title IV systems to identify any instances where required data is already collected or maintained. In those cases, NSLDS either (a) takes the data from the existing system instead of levying additional burden on the community, or (b) replaces the existing data collection effort. One of the first significant reporting processes eliminated by NSLDS was the guaranty agencies requirement to report all FFEL loan volume on the Annual Loan Tape Dumps. Additionally NSLDS is now used to calculate the loan guaranty, disbursement, and cancelation data once reported by guaranty agencies on the quarterly Guaranty Agency Financial Report Form. This provides the Department the loan level detail to support the payment of the Loan Processing and Issuance Fee agencies on the quarterly Guaranty Agency Financial Report reducing the agency's reporting burden.

As new regulations and laws are enacted NSLDS is used by the Department to collect additional data or provide oversight with minimal impact to schools, lenders and guaranty agencies.

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 has designed NSLDS to accommodate reporting through Personal Computer, which is the minimal equipment required to participate in Title IV Aid Programs. The Department provides software to data providers with the most common types of personal computers, which reduces the amount of burden on smaller organizations. In addition Data providers are provided with record formats that will allow them to develop their systems to extract data in the required format. In recent years the NSLDS tools for enrollment reporting, exit counseling, transfer student monitoring and financial aid history request are all offered in excel format that will allow direct uploads of data into NSLDS.

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.

The Department has worked with the financial aid community reporting to NSLDS to increase frequency in reporting. Internal systems, including Federal Loan Servicers, report to NSLDS weekly, and 50 % of the guaranty agencies report more frequently than monthly. The remaining agencies and schools report at least monthly. Most data providers have the ability to update loan data in real time using the NSLDS on-line updating capabilities. This ensures that all of the functionality listed in item #2 is based on the most current data. This minimizes the amount of student aid that is awarded to students who are ineligible, as well as ensures that data corrections are received quickly for students whose aid applications have been erroneously rejected as a result of prescreening or post screening. Each day's delay in using accurate data to prescreen aid applications may represent a significant cost to the Government, especially with the implementation of 100% direct lending -.

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;*

NSLDS is now used to calculate student eligibility for 150% subsidize loan limits. It is essential that schools report enrollment data at least every 60 days and that NSLDS report this data weekly to federal loan servicers so that interest benefits are accurately applied. In addition students are encouraged to use NSLDS website for students and it imperative that the data provided to them is accurate and timely. Many of the business functionalities in which the

NSLDS data is used require the timely reporting of loan balances and loan statuses. Thus, Department held loans and grants are reported weekly, at least half of the guaranty agencies report more frequently monthly and the rest of the agencies and Perkins school report monthly.

- *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*

Under the enrollment regulations schools are required to respond to the NSLDS enrollment roster within 15 days of receipt. They are also required to respond to errors on the NSLDS enrollment roster within 10 days.

- *requiring respondents to submit more than an original and two copies of any document;*

N/A

- *requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;*

N/A

- *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;*

N/A

- *requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*

N/A

- *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*

N/A

- *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.*

N/A

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 of Education consulted with guaranty agencies, through the National Council of Higher Education Loan Resources (NCHER), and schools, through a Financial Aid Administrators Advisory Panel and the Direct Loan Coalition. Annually NSLDS makes presentations at the Federal Student Aid Conferences, where ideas and concerns are solicited from attendees. NSLDS frequently sponsors webinars and participates in Federal Student Aid's quarterly software vendors conferences. The Department attends and conducts formal and informal meetings, presentations, question-and-answer sessions, and interviews with a variety of student aid community representatives and organizations. We addressed data availability, collection frequency, processing requirements, data elements to be reported, and data formats.

Substantive discussions continue with members of NCHER's Program Operations NSLDS Sub-Committee, meeting quarterly to discuss on-going enhancements and issues. NSLDS regularly meets with focus groups and representatives from the schools. Representatives participate in regular meetings and conference calls with the Department and with the NSLDS contractor regarding data requirements and definitions and the NSLDS design. These representatives from NCHER and the schools consult with other members of the community and provide comments to the Department so that the widest possible insight from the financial aid community is brought into NSLDS design sessions.

No comments were received from the public during the 60 day comment period. This is a request for a 30 day public comment period.

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

There are no provisions for any payments 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.*

There were no assurances of confidentiality provided to respondents. The information collected here is available to the public under the Privacy Act of 1974.

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)

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.*

There are no questions of a sensitive nature in this collection of information.

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.*

Approximately 30 guaranty agencies and 6,000 schools report to the NSLDS. The reporting burden for these organizations varies because of differences in size and function. Guaranty agencies' burden varies based on the number of loans each has guaranteed and upon the number of lenders from which they must obtain data. Guaranty agencies report only on FFEL Program loans. Schools' burden varies based on the number of students who have obtained Federal Perkins loans at each school, the number of students who have received Title IV aid included on the school's enrollment roster and the number of students in Gainful Employment programs. Direct Loans, FFEL non-defaulted loans purchased by the Department and serviced by contractors, Federal Grants, Department held Perkins Loans, and Defaulted loans held by the Department are all reported by internal Department Systems.

NSLDS has been collecting data since 1995. As a result Guaranty Agencies and schools have developed efficiencies in their systems extracting and loading data to NSLDS. The Departments established the Student Aid Internet Gateway (SAIG) to provide a secure method

for the Department’s systems to exchange data with schools, guaranty agencies and federal loan servicers. The SAIG systems allow schools to create their data on systems as small as a personal computer or as large as a mainframe put all data are transmitted through SAIG. Data are delivered to the Department directly to an assigned mailbox, and message classes designated in SAIG by NSLDS for each specific purpose. The Department estimates the range of burden hours per respondent to report data to NSLDS to be 2 to 4 hours per response, with an average of 3 hours per response.

The Department estimated the loan-reporting burden as follows:

- The number of respondents is the number of guaranty agencies (29) plus the number of schools reporting Perkins loan activity (2,310), for a total of 2,339 entities reporting on loans
- The number of responses for guaranty agencies range from one week to once a month, but on average two times per month or 24 times a year. The number of responses for schools are once a month for 12 times during a year.

The total of annual responses on loan data is 60,798 for both guaranty agencies and schools.

NSLDS collects “other data” that are covered under other data collections regulations. The 150% Regulations for Enrollment Reporting (1845-0116) and Gainful Employment Regulations collection package (1845-0123), resulting in a decrease in respondents, responses and burden hours in this collection.

The Department assumed that all guaranty agencies and schools are automated. The numbers of guaranty agencies have been reduced since the implementation of 100% direct lending and are currently holding at 29. We assumed 4.5 hours per response for the guaranty agencies. We assumed that the 2,310 schools reporting Perkins loans monthly require 2 burden hours per submission.

We multiplied the total annual burden hours by the average burden hours to obtain the annual burden hours of 60,798.

These calculations are presented below:

Respondent/Type	Number of respondents	Responses per month	Responses per Year	Average number or hours per response	Average cost per Response \$40.00	Total Burden Hours per year
State Guaranty Agencies	19	19	228	4.5	\$180	1,026
Non-Profit Guaranty Agency	10	20	240	4.5	\$180	1,080
Private > 2 Years Perkins Schools /Serviced	5	5	60	2	\$80	120
Private > 2 Years Perkins Schools	2	2	24	3	\$120	72
Private 2 to 3 year schools /	27	27	324	2	\$80	648

Serviced						
Private 2 to 3 year schools	6	6	72	3	\$120	216
Private 4 year + / Serviced	972	972	11,664	2	\$80	23,328
Private 4 year +	74	74	888	3	\$120	2,664
Proprietary Less Than 2 Years/ Service	72	72	864	2	\$80	1,728
Proprietary Less Than 2 Years	34	34	408	3	\$120	1,224
Proprietary 2 To 3 Years/ Serviced	114	114	1,368	2	\$80	2,736
Proprietary 2 To 3 Years	16	16	192	3	\$120	576
Proprietary 4+/Serviced	138	138	1,656	2	\$80	3,312
Proprietary 4+	8	8	96	3	\$120	288
Public Less Than 2 Year/ Serviced	1	1	12	2	\$80	24
Public Less Than 2 Year	5	5	60	3	\$120	180
Public 2 To 3 Years /Serviced	205	205	2,460	2	\$80	4,920
Public 2 To 3 Years	73	73	876	3	\$120	2,628
Public 4 Years + / Serviced	505	505	6,060	2	\$80	12,120
Public 4 Year +	53	53	636	3	\$120	1,908
TOTAL	2,339	2,349	28,188		\$2,160	60,798

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.*

Cost included in #12.

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.*

Operations and Maintenance Cost for NSLDS:

FY 16 - \$10,138,196

FY17 - \$10,343,012

FY18- \$10,552,157

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).*

In part because burden calculations for enrollment reporting and GE reporting are now assessed under different information collections, the total burden has decreased by 96,082 hours. This adjustment is also due to factors such as the burden for guaranty agencies decreasing as the volume of loans has gone down and, many Perkins schools have opted out of the Perkins Program and transferred their portfolio to the Department.

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.*

This information is not intended for use as a statistical publication.

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 expiration date for OMB approval of the information collection will be displayed.

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

The collection of information complies with 5 CFR 1320.9