

The Department of Education (the Department) proposes to amend the Student Assistance General Provisions regulations issued under the Higher Education Act of 1965, as amended (HEA), to implement changes made to the Student Assistance General Provisions regulations – Subpart D – Institutional and Financial Assistance Information for §668.41 - Students Reporting and disclosure of information. These proposed regulations are a result of negotiated rulemaking and would add new requirements to the current regulations.

These proposed regulations are intended to ensure that current and prospective students are provided with warnings if a proprietary institution's repayment rate, as calculated by the Department meets specified criteria through individual notification or group notification and that such rate information are prominently included in all promotional materials. Additionally, current and prospective students must be provided with warnings through individual notification or group notification if the Department requires a proprietary institution to provide financial protections based on specified criteria. The proposed regulations also provide for a challenge process for proprietary institutions regarding the Department's repayment rate calculations.

AFFECTED ENTITIES AND BURDEN:

There will be burden to review the list identified in §668.41(h)(5)(i)(A) and to submit challenges to the accuracy of the information used to calculate the draft loan repayment rate, as provided in §668.41(h)(5)(iii).

We estimate that it will take institutional staff 20 hours to review the listing of students included in the initial loan repayment rate calculations. We estimate that it will take institutional staff another 35 hours to review the draft loan repayment rate produced by the Secretary when challenging the accuracy of the information used to calculate that draft rate. We are estimating a total of 55 hours burden per institution for institutional activities under proposed §668.41(h)(5).

Affected entity	# of Respondents	# of Response	Hrs/Response	Total Burden
Proprietary Institutions	493	493	x 55 hours	27,115

There will be burden on schools to deliver the loan repayment warning and the financial repayment disclosure to enrolled and prospective students under this proposed regulation.

For the loan repayment warning, under proposed §668.41(h)(7)(i), the Department commits to consumer test the language of the warning, which the Secretary will publish in a Federal Register notice. We anticipate that it will take proprietary institutions 65 hours to produce and disseminate the loan repayment warnings to current and prospective students, ensure that promotional materials include the warning, and update the institution's Web site.

Affected entity	# of Respondents	# of Response	Hrs/Response	Total Burden
Proprietary Institutions	493	493	x 65 hours	32,045

For the financial protection disclosure, under proposed §668.41(i), we estimate that it will take institutions an additional 50 hours to produce and provide the required financial protection disclosures to current and prospective students and update the institution's Web site. We estimate that 392 proprietary institutions may have 3 events requiring such reporting.

Affected entity	# of Respondents	# of Response	Hrs/Response	Total Burden
Proprietary Institutions	392	1,176	x 50 hours	58,800

TOTALS

Responses	2,162
Respondents	885
Burden Hours	117,960