

PUBLIC SUBMISSION

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William D. Ford Federal Direct Loan Program - 150% Limitation

Comment On: ED-2016-ICCD-0136-0007

Agency Information Collection Activities; Proposals, Submissions, and Approvals; Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; William D. Ford Federal Direct Loan Program-150% Limitation

Document: ED-2016-ICCD-0136-0010

Comment on FR Doc # 2017-03599

Submitter Information

Name: Catherine Corn

General Comment

We should not be loaning students money to go to school for most or all majors. It is ridiculous to expect them to repay for majors and schools that do not produce gainfully employed alumni.

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Catherine Corn

Thank you for your comments. However, they are outside the scope of this comment request, which focuses on the collection of information to enforce a limit on subsidized loan borrowing.

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William D. Ford Federal Direct Loan Program - 150% Limitation

Comment On: ED-2016-ICCD-0136-0007

Agency Information Collection Activities; Proposals, Submissions, and Approvals; Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; William D. Ford Federal Direct Loan Program-150% Limitation

Document: ED-2016-ICCD-0136-0012

Comment on FR Doc # 2017-03599

Submitter Information

Name: Anonymous Anonymous

General Comment

How will the changes in data collected impact applicant eligibility for the William D. Ford Federal Direct Loan Program? Would streamlining the data collection result in more people being deemed ineligible for funds? It concerns me that in the name of reducing paperwork ED could be limiting access to educational funds. Be clear on the ramifications of such a change on the public, specifically the students.

The information that is collected a part of this information collection is used to determine whether a student is eligible for Direct Subsidized Loans under the 150% Direct Subsidized Loan Limit and is used to determine whether, under such limit, the borrower must become responsible for the interest that accrues. The Department is not

making changes to the data that has been collected for this purpose. If this information were not collected, or if it were collected on a less frequent basis, borrowers would be given loans for which they are not eligible, and would not know that they must become responsible for paying the interest that accrues for a significant period of time after it occurs.

The Department has coordinated its collection methods and is not looking to streamline its process further. The COD System passes the disbursement information that schools report to it through to NSLDS and NSLDS uses this information to pre-populate information on the school's roster file. Schools are only required to update/correct the information that was included on that roster file and submit it, not completely re-report this data if it has not changed.

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William D. Ford Federal Direct Loan Program - 150% Limitation

Comment On: ED-2016-ICCD-0136-0007

Agency Information Collection Activities; Proposals, Submissions, and Approvals; Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; William D. Ford Federal Direct Loan Program-150% Limitation

Document: ED-2016-ICCD-0136-0013

Comment on FR Doc # 2017-03599

Submitter Information

Name: Anonymous Anonymous

General Comment

I think SULA has been a horrible to begin with! Why add more to it?? If you want to cut back on Direct Loans, give schools more authority to limit Direct Loan awarding. Sure, schools can deny a Direct Loan on a case by case basis, but who really wants to take that to court? Schools are scared to decline loans because they are scared that their case might not be unique enough to merit a case by case situation.

If you want to collect more interest, cause more loan debt, and cause more work for schools - go ahead and add more regs. I think everyone knows that SULA isn't really helping students. When a student runs out of time, he/she is just going to turn around and want unsubsidized funds because that student believes he/she is past the point of no return and/or doesn't care about loan debt.

The only party which benefits from SULA is the government, collecting more funds.

Thank you for your comments. However, they are outside the scope of this comment request, which focuses on the collection of information to enforce a limit on subsidized loan borrowing.

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William D. Ford Federal Direct Loan Program - 150% Limitation

Comment On: ED-2016-ICCD-0136-0007

Agency Information Collection Activities; Proposals, Submissions, and Approvals; Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; William D. Ford Federal Direct Loan Program-150% Limitation

Document: ED-2016-ICCD-0136-0014

Comment on FR Doc # 2017-03599

Submitter Information

Name: Anonymous Anonymous

General Comment

If the Department is so concerned about the cost of administering Subsidized Stafford Loans, end the program and only provide Unsubsidized Stafford Loans.

Thank you for your comments. However, they are outside the scope of this comment request, which focuses on the collection of information to enforce a limit on subsidized loan borrowing. Moreover, to implement this comment would require a change to the Higher Education Act of 1965.

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William D. Ford Federal Direct Loan Program - 150% Limitation

Comment On: ED-2016-ICCD-0136-0007

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Document: ED-2016-ICCD-0136-0015

Comment on FR Doc # 2017-03599

Submitter Information

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General Comment

Supporting Statements, Section A, Question 12, reads

Section 685.309(b)--Enrollment reporting process.

Section 685.309(b) provides that eligible institutions that enroll a Direct Loan borrower must report information about the borrower's enrollment to the Secretary. The Department has implemented these provisions by requiring institutions to electronically report, at least twice per year, student and loan information to NSLDS. The Direct Subsidized Loan regulations in 685.200(f)(3) provide that a borrower becomes responsible for accruing interest on any Direct Subsidized Loans he or she previously received if, after the borrower meets or exceeds his or her maximum eligibility period, the borrower enrolls in an undergraduate program of equal or shorter duration than the program on which their maximum eligibility period was previously based. The regulations also provide specific rules for borrowers who are enrolled in teacher certification programs for which the institution awards no academic credential, preparatory coursework necessary for enrollment in a graduate or professional program, and programs for which borrowers are not otherwise eligible for Direct Subsidized Loans .

However, the department requires institutions to submit information to NSLDS at least every 60 days. Therefore, the burden calculations are incorrect.

Thank you for your comment. You are correct that the narrative description incorrectly describes the frequency with which schools are obligated to report to the National Student Loan Data System (NSLDS). You are also correct that schools are obligated to report to NSLDS not less frequently than every other month (e.g., every 60 days). We will correct this error in the narrative description and update the burden calculations accordingly.

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William D. Ford Federal Direct Loan Program - 150% Limitation

Comment On: ED-2016-ICCD-0136-0007

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Comment on FR Doc # 2017-03599

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General Comment

Supporting statements, section A, question 6, reads:

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 the information was not collected or was not collected on an as-frequent basis, the Department would be unable to administer the Direct Loan Program in a manner that complies with the statutory provisions created by MAP-21.

While the information to be collected is necessary for the administration of Direct loans, the department has also required school to report this information for Pell grant recipients who do not hold Direct Loan(s). To the best of my knowledge there is no legal or technical issues that will arise should the department exclude Pell grant only recipients for the collection. In fact, there is a subset of school who do not participate in the Direct Loan program and are reporting data to NSLDS solely on non-Direct Loan recipients who are not under a requirements imposed by MAP-21.

Supporting statements, section A, question 7, reads:

1. 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.

The Department has responded:

This requirement is consistent with the guidelines in 5 CFR 1302.5(d)(2).

However, currently the Department requires schools to report enrollment information to NSLDS every 60 days which is more frequently than quarterly. Furthermore, schools are required to respond to the Enrollment Report within 15 days of when NSLDS generates the report and sends it to the school, which is sooner than 30 days after they receive it.

Thank you for your comment. You are correct that the narrative description incorrectly describes the frequency with which schools are obligated to report to the National Student Loan Data System (NSLDS). You are also correct that schools are obligated to report to NSLDS not less frequently than every other month (e.g., every 60 days). We will correct this error in the narrative description and update the burden calculations accordingly.

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Comment On: ED-2016-ICCD-0136-0007

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Comment on FR Doc # 2017-03599

Submitter Information

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General Comment

In the attachment "effected Public-Private Institutions", Section 685.309(b), paragraph 4 states:

To estimate the total increase in burden imposed on institutions of higher education due to the reporting requirements under 685.309(b), we divided institutions into two groups--institutions that use enrollment servicers, which are more automated and take less time to report enrollment to the Department, and institutions that do not use enrollment servicers and therefore take longer to report enrollment to the Department. We assumed that each institution that reports enrollment DOES SO TWICE PER YEAR (AS MINIMALLY REQUIRED). We estimate that the additional reporting will, for institutions using an enrollment servicer, add 0.25 hours of burden per report. For institutions that do not use an enrollment servicer, we estimate that the additional reporting will add 0.5 hours of additional burden per report.

However, the department currently requires institutions to report enrollment data to NSLDS every 60 days. Thus, schools are reporting a minimum of 6 times per year. Therefore, the burden hours should be calculated as follows:

Of the 6,031 institutions that reported enrollment information during the most recently completed award year, 1,813 of them are private, not-for-profit institutions. Of the 1,813 private, not-for-profit institutions, we estimate 1,396 use enrollment servicers. For the 1,396 private, not-for-profit institutions that use enrollment servicers, we estimate that additional reporting will add 2094 hours (1,396 institutions multiplied by 0.25 additional hours per report, multiplied by 6 reports per year).

Of the 6,031 institutions that reported enrollment information during the most recently completed award year, 1,813 of them are private, not-for-profit institutions. Of the 1,813 private, not-for-profit institutions, we estimate 417 of them do not use enrollment servicers. For the 417 private, not-for-profit institutions that do not use enrollment servicers, we estimate that additional reporting will add 1215 hours (417 institutions multiplied by 0.5 additional hours per report, multiplied by 6 reports per year).

I would presume that there is similarly inaccuracies in the other effect sectors documents, however, as a representative only of private sector institutions I have not perused the other documents.

Thank you for your comment. You are correct that the narrative description incorrectly describes the frequency with which schools are obligated to report to the National Student Loan Data System (NSLDS). You are also correct that schools are obligated to report to NSLDS not less frequently than every other month (e.g., every 60 days). We will correct this error in the narrative description and update the burden calculations accordingly.

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Document: ED-2016-ICCD-0136-0018

Comment on FR Doc # 2017-03599

Submitter Information

Name: Marty Mehringer

General Comment

Thank you for allowing me the opportunity to submit my public comments on the 150% Limitation of the Federal Direct Loan Program. Please find my comments attached in the PDF document.

Attachments

150 Percent Limitation Public Comment March 2017:

First, thank you for permitting me the opportunity to provide public comment on the 150% limitation on the Federal Subsidized Direct Loan program (ED-2016-ICCD-

0136). As you are well aware, the 150% rule went into effect on July 1, 2013. Colleges and universities have been required to submit additional data records to COD since that point in time. Since the CIP code, credential level, and length of the program are already being submitted to COD the government should work through their existing contractors of COD and NSLDS to get these systems to “talk” to one another. It is an unnecessary administrative burden of 282,713 hours, per your quote in this public comment document, on institutions to submit data to another entity of the United States Department of Education. If the Department now seems to think that these records are necessary, nearly four years after implementation, the Department of Education needs to find a way to get that data from COD into NSLDS.

As an employee of a college and a tax paying citizen, I expect that our government be fiscally responsible with taxpayer dollars. In my opinion, this is simply a waste of those tax dollars. As colleges and universities are expected to keep costs down, the government continues to make that extremely difficult by adding more and more administrative burden. While I understand this law has been in existence for nearly four years, it doesn't seem as though the Department of Education has put a sound practice in place to see that students are not utilizing funds that they are not eligible to receive. While I understand that it would take an “act of Congress” to repeal or replace this law, I would strongly encourage this rule be revisited through the upcoming Higher Education Reauthorization Act.

The law as it currently is written is very difficult for institutions to administer, and apparently the Department of Education to enforce. The law is also very difficult for students and families of aid recipients to understand, especially those that change between programs. This is exacerbated when students change programs that vary in credential level, especially those that go from a longer term program to a shorter term program. I strongly encourage and support a “one loan” program that has very simple terms and conditions for all that are involved to administer, understand, and eventually repay.

Clearly since it has been four years since its inception, this data is not necessary for the law to function properly. It does not appear as though this information will be processed and used in a timely manner, since, again it has been several years since inception and the Department is just getting around to attempt to collect this data and get it entered into NSLDS. Again, if this was truly a concern and a priority the Department would have been using the data they are requesting, that is already being collected and housed in the COD system. One way the Department can minimize the burden of this collection is by using the data that is already being housed in COD. Another way to ease the administrative burden is to work with Congress to get this

impractical rule repealed and replaced with a law that is useful and fiscally responsible for all tax paying citizens.

Thank you for your comments.

With regard to the comment that redundant data is being reported to the Common Origination and Disbursement (COD) System and National Student Loan Data System (NSLDS), this is not an accurate characterization of the data. First and foremost, the data that is reported to COD and NSLDS is reported as of different points in time. Data is reported to COD when a school makes a disbursement, whereas NSLDS contains ongoing reports of data after schools have disbursed aid to students. Secondly, these data are used for different purposes. While the data in COD is used to assess whether a student is eligible for a loan based on the 150% Direct Subsidized Loan Limit, and so “point in time” data is acceptable for that purpose, the NSLDS data is used to track a student’s interest subsidy under the limit, and this requires ongoing reporting by schools. Thirdly, the COD System does pass the information that schools report to NSLDS and NSLDS uses this information to pre-populate information on the school’s roster file. Schools are only required to update/correct the information that was included on that roster file and submit it, not completely re-report this data if it has not changed.

With regard to your comment that this information is only being collected for the first time, this is not an accurate characterization of our practices. We have been collecting this information since 2014.

While we thank you for sharing your views on the future of the student financial assistance programs, they are outside the scope of this comment request, which focuses on the collection of information.