

The Department of Education (the Department) proposes to amend the Federal Family Education Loan (FFEL) Program regulations to implement changes Subpart D – Administration of the Federal Family Education Loan Programs by a Guaranty Agency for §682.402. These proposed regulations are a result of negotiated rulemaking and would add new requirements to the current regulations.

The proposed regulations in §682.402(d) extend the number of days that a borrower must have withdrawn from a closed school to qualify for a closed school discharge would be extended from 120 days to 180 days.

There would be burden on guaranty agencies to update their systems to identify borrowers who were enrolled or withdrew no more 180 days before the institution closed. We estimate that it would take the 24 guaranty agencies 10 hours to program and test the updates to their systems. There would be an estimated burden of 110 hours on the 11 not-for-profit guaranty agencies.

Affected entity	# of Respondents	# of Responses	Hrs/Response	Total Burden
Not-For-Profit GAs	11	11	x 10 hours	110

The proposed regulations in §682.402(d)(6)(ii)(F) would require a guaranty agency that denies a closed school discharge request to inform the borrower of the opportunity for a review of the guaranty agency's decision by the Secretary, and explain how the borrower may request such a review.

There would be burden on guaranty agencies to provide information to borrowers denied closed school discharge regarding the opportunity for further review of the discharge request by the Secretary. We estimate that it will take the 24 guaranty agencies 4 hours to update their notifications and establish a process for forwarding any requests for escalated reviews to the Secretary. There will be an estimated burden of 44 hours on the 11 not-for-profit guaranty agencies.

Affected entity	# of Respondents	# of Responses	Hrs/Response	Total Burden
Not-For-Profit GAs	*	11	x 4 hours	44

The proposed regulations in §682.402(d)(6)(ii)(J) would describe the responsibilities of the guaranty agency and the Secretary if the borrower requests such a review.

There will be burden on guaranty agencies to, upon receipt of the request for escalated review from the borrower, forward to the Secretary the discharge form and any relevant documents. For the calendar year 2017, 29,171 closed school discharge applications were received. It is estimated that 5 percent, or 1,459, of those borrowers would have their closed school applications denied. We further estimate that 10 percent, or 146, of those borrowers whose application was denied will request escalated review by the Secretary. We estimate that the process to forward the discharge request and any relevant documentation to the Secretary will take .5 hours (30 minutes) per request. There will be an estimated burden of 34 hours on the 11 not-for-profit guaranty agencies based on an estimated 67 requests.

Affected entity	# of Respondents	# of Responses	Hrs/Response	Total Burden
Not-For-Profit GAs	*	67	x .5 hours	34

Respondents	11
Responses	89
Burden Hours	188

We estimate the cost to institutional respondents, based on \$44.41 per burden hour, would be:

Private GAs = \$ 8,349.08 (188 hours x \$44.41)