

The Department of Education (the Department) proposes to amend the William D. Ford Federal Direct Loan (Direct Loan) Program regulations issued under the Higher Education Act of 1965, as amended (HEA), to implement changes made to the regulations in §685.304 - Counseling borrowers. These proposed regulations are a result of negotiated rulemaking and would add a new requirement to the current regulations.

These proposed regulations would amend §685.304 to require institutions that use pre-dispute arbitration agreements or class action waivers to disclose descriptions of those agreements using written, plain language to borrowers as well as with written information on how to use the institution's internal dispute resolution process. The institutions must make this information available to the student borrower prior to the first disbursement. This request is for a revision of the current information collection to include this new regulatory requirement.

Under proposed 685.304 there are changes to the requirements to counsel Federal student loan borrowers prior to making the first disbursement of a Federal student loan (entrance counseling). Schools that use pre-dispute arbitration agreements and/or class action waivers would have to include in the required entrance counseling information on the school's internal dispute resolution process and who the borrower may contact regarding a dispute related to educational services for which the loan was made. Schools that require borrowers to accept a pre-dispute arbitration agreement and/or class action waiver would be required to provide information in writing to the student borrower about the plain language meaning of the agreement, when it would apply, how to enter into the process, and who to contact with questions.

We believe that there would be minimum additional burden for borrowers to review the information when completing the required entrance counseling. In calendar year 2017, 684,813 Direct Loan borrower completed entrance counseling using the Department's on-line entrance counseling. Assuming the same 50 percent of borrowers attend a school that uses pre-dispute arbitration agreements and/or class action waivers would require five minutes to review the material, we estimate a total of 27,393 hours of additional burden (342,407 borrowers time .08 (5 minutes) = 27,393 hours).

Affected Entity	# of Respondents	# of Responses	Hrs/Response	Total Burden
Individuals	324,407	324,407	x .08 hours	27,393
Respondents	324,407			
Responses	324,407			
Burden Hours	27,393			

We estimate the cost to respondents, based on \$16.30 for individuals would be:

Individuals = \$ 446,505.90(27,393 hours x \$16.30)