

**Health Professions Student Loan (HPSL) Program, Loans for Disadvantaged Students (LDS), Nursing Student Loan (NSL) Program, and Primary Care Loan (PCL) Program
Administrative Requirements - Regulations and Policy**

OMB Control No. 0915-0047 - Revision

SUPPORTING STATEMENT

A. Justification

1. Circumstances Making the Collection of Information

This clearance request is for the approval of the Health Professions Student Loan (HPSL) Program, Loans for Disadvantaged Students (LDS), Primary Care Loan Program (PCL), and Nursing Student Loan (NSL) Program Administrative Requirements. The form was previously titled as the Health Professions Student Loan (HPSL) Program and Nursing Student Loan (NSL) Program Administrative Requirements (Regulations and Policy). This request seeks to add the Loans for Disadvantaged Students (LDS) and Primary Care Loan Program (PCL) as the forms discussed in this notice (Deferment-HRSA Form 519 and AOR-HRSA Form 501) are also used for these programs.

Institutions are currently required to provide one year of data to demonstrate their eligibility. Beginning with the next grant funding cycle, schools must provide a one-year projection to demonstrate their need and eligibility instead of the three-year projection we required in previous years. This change will allow HPSL, LDS, PCL, and NSL to support the programs who have demonstrated a long-term commitment to serving students from disadvantaged backgrounds.

HRSA intends to revise the AOR-HRSA Form 501 (OMB No. 0915-0047) to add the word “part-time” to the following questions for NSL program:

- ***Question 3, page 1A of the non-PCL section of the AOR (total full-time enrollment for the Nursing - discipline for the academic year (NSL loan recipients)),***
- ***Question 13 (total number of full time graduates (NSL loan recipients) at the school during the current reporting period),***
- ***Question 14 (total number of full time NSL graduates (NSL loan recipients) during the current reporting period who indicate intent to serve in a rural area),***
- ***Question 15b (of the total graduates reported in question 15a, the number of full-time NSL***
- ***graduates (NSL loan recipients) in academic year 20XX – 20XX serving in medically underserved communities),***
- ***Question 15c (of the total graduates reported in question 15a, the number of Full-Time NSL***
- ***graduates (NSL loan recipients) in academic year 20XX – 20XX serving in primary care), and***

- **Question 15d (of the total graduates in question 15a, the number of full-time NSL graduates (NSL loan recipients) in Academic Year 20XX – 20XX who entered the field for which they received their degree).**

HRSA also proposes to revise the AOR-HRSA Form 501 form to include four additional questions at the bottom of Page 1A of all AORs:

- **16a. Are you a Community College?**
- **16b. Are you a Historically Black College or University?**
- **16c. Are you a Tribal college or university? and**
- **16d. Are you an institution located in a rural area?**

In addition, HRSA proposes to revise Page 4 (the excess cash worksheet) of the AOR-HRSA Form 501 form to limit the grantees' ability to make projections to one year. This proposed revision will allow HRSA to improve the overall management of funding.

For this package, no changes have been made to the regulatory requirements and the revision consists.

The HPSL program, authorized by sections 721-735 of the Public Health Service (PHS) Act, 42 U.S.C. 292q-292y, provides funds to schools for long-term, low-interest loans to students attending schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, pediatric medicine, and pharmacy. The LDS program, authorized by section 724 of the PHS Act, 42 U.S.C. 292t, gives HPSL schools access to funds for loans to students with financial need from disadvantaged backgrounds. The PCL program, authorized by section 723 of the PHS Act, 42 U.S.C. 292s, as amended by P.L. 111-148, provides funds to HPSL schools for long-term, low-interest loans to students pursuing a degree only in allopathic medicine or osteopathic medicine. Borrowers must agree to practice in primary care until the loan is repaid or for a period of 10 years, whichever comes first. The statute provides for a gradual redistribution of medical and osteopathic HPSL funds to schools that demonstrate a commitment to training primary care practitioners. The LDS and PCL programs are funded separately from the HPSL program but are governed by relevant requirements associated with the HPSL program including due diligence requirements, institutional contributions, reporting, etc. The NSL program, authorized by section 835-842 of the PHS Act (42 U.S.C. 297a-i), provides funds to schools of nursing for long term, low interest loans to students in programs leading to a diploma in nursing, an associate degree, a baccalaureate degree, or a graduate degree in nursing.

Participating HPSL, PCL, LDS, and NSL schools are responsible for determining eligibility of applicants, making loans, and collecting monies owed by borrowers on their outstanding loans. Schools are required to: (1) invest their HPSL, PCL, LDS, and NSL funds; (2) identify and return to the Department excess cash from the HPSL, PCL, LDS, and NSL funds; and, (3) determine the collectability of defaulted loans and, for loans determined to be uncollectible, either obtain approval to write off the loans or reimburse the fund for the amount that remains uncollected on the loans. The governing regulations for the HPSL, LDS, and PCL programs (§§ 57.201-57.218) and the NSL program (§§ 57-301-57.318) are included in 42 CFR 57, Subpart C - Health Professions Student Loans and Subpart D – Nursing Student Loans.

Approval – with changes is requested for HRSA-501, HPSL, PCL, LDS and NSL Annual Operating Report (AOR) for the following administrative forms, which are included as attachments.

HRSA-501. HPSL, PCL, LDS & NSL Annual Operating Report (AOR) is authorized by section 799(e) and (h) of the PHS Act (42 USC 295o), and §§ 57.215 (HPSL, LDS, and PCL) and 57.315 (NSL) of the regulations. The AOR provides the Federal Government with information from participating schools relating to HPSL, PCL, LDS and NSL program operations and financial activities.

RECORDKEEPING REQUIREMENTS

Documentation of Cost of Attendance - In the selection of qualified applicants, the school must document criteria used for determining reasonable costs necessary for the student's attendance at the school.

Promissory Note - Each HPSL, PCL, LDS, or NSL loan must be evidenced by a properly executed promissory note in a form approved by the Secretary, and the school must safeguard the note against fire, theft, and tampering.

Documentation of Entrance Interview - The school must conduct and document the entrance interview with the borrower prior to disbursing HPSL, PCL, LDS, or NSL funds, to inform him/her of the rights and responsibilities associated with receiving the funds.

Documentation of Exit Interview - The school must conduct and document the exit interview with the borrower, or if borrower terminates studies without advance notice, the school must document attempts to inform the borrower of the substance of the exit interview and to secure required information from the borrower by mail.

Program Records - The school must maintain records relating to the operation of its HPSL, LDS, NSL, or PCL funds.

Student Records - Approved student applications, documentation of financial need records, and copies of financial aid transcripts must be retained by the school for 5 years after a student ceases to be a full-time student.

Repayment Records - Repayment records for each borrower must be retained for at least 5 years from the date of retirement of a loan.

REPORTING REQUIREMENTS

Student Financial Aid Transcript (Disclosure) - An applicant who has previously attended an institution of higher education must submit a financial aid transcript.

Loan Disclosure Requirements (Disclosure) - The school must disclose loan information to students who receive HPSL, LDS, NSL, or PCL loans at the onset of their studies and prior to the completion or termination of their studies.

Entrance Interview (Disclosure) - The school must conduct the entrance interview with the borrower prior to disbursing HPSL, LDS, NSL, or PCL funds, to inform him/her of the rights and responsibilities associated with receiving the funds.

Exit Interview (Disclosure) - The school must conduct the exit interview with the borrower, or if borrower terminates studies without advance notice, the school must attempt to inform the borrower of the substance of the exit interview and to secure required information from the borrower by mail.

Notification of Repayment (Notification) - The school must notify the borrower in writing of the impending repayment obligation at least twice during the grace period.

Notification during Deferment (Notification) - The school must notify the borrower in deferment status in writing of the impending repayment obligation 1 to 3 months prior to the expiration of the approved period of deferment.

Notification of Delinquent Accounts (Notification) - The school must make at least four attempts to contact the borrower regarding past due payments, prior to the loan becoming 120 days past due.

Credit Bureau Notification (Notification) - The school must become a member of a credit bureau and notify the credit bureau of accounts past due by more than 120 days.

Write-off of Uncollectible Loans (Reporting) - If a school wishes to request the Department's approval to write off an uncollectible loan, it must do so within 30 days of determining that the loan is uncollectible.

Disability Cancellation (Reporting) - The Secretary will cancel a student borrower's indebtedness if found to be permanently and totally disabled, on recommendation of the school and as supported by whatever medical certification the Secretary may require.

Evidence of Educational Loans (Disclosure) - Borrowers must provide evidence of loans for which they are requesting partial payment for service in a health professional shortage area. Under this regulatory section, there have been no repayment activities reportable for HPSL, LDS, NSL, or PCL since 1982 when the provision was phased out due to lack of Federal funding.

Administrative Hearings (Reporting) - A school which fails to comply with reporting requirements relating to the operation of its program, and is therefore subject to termination, may submit a request for formal hearing which contains a statement of material, factual issues in dispute.

Administrative Hearings (Reporting) - A school which fails to comply with requirements to reduce its default rates may submit a request for formal hearing which contains a statement of material, factual issues in dispute.

2. Purpose and Use of Information Collection

These information collections and record keeping requirements are essential for assuring that borrowers are fully informed of the terms and conditions of their loans and are aware of their rights and responsibilities, and that schools know the history and status of each loan account, that they pursue aggressive collection efforts, and maintain adequate records for audit and assessment purposes. The reporting and recordkeeping requirements are to ensure compliance with the authorizing legislation. Schools must maintain adequate records of loan accounts for audit and assessment purposes, and pursue aggressive collection efforts to reduce default rates.

3. Use of Improved Information Technology and Burden Reduction

Schools use automated systems and may select whatever information technology they have available to maintain all records associated with the regulations.

4. Efforts to Identify Duplication and Use of Similar Information

The information requested is unique to the HPSL, LDS, NSL, or PCL program requirements. These requirements will not result in duplication of reporting since schools would not be reporting this kind of information elsewhere.

5. Impact on Small Businesses or Other Small Entities

The information being requested has been held to the absolute minimum required for the intended use of the data.

6. Consequences of Collecting the Information Less Frequently

The information is collected at specified critical intervals of the program and, consequently, could not be collected less frequently without detriment to the success of the program and the financial interest of the Federal Government.

7. Special Circumstances Relating to the Guidelines of- 5 CFR 1320.5(d)(2)

Under P.L. 103-43 the HPSL, LDS, NSL, and PCL statute allows for a 10-25 year repayment period at the discretion of the institution (see Sec 134 General Provisions (a)(3)(B)), excluding periods of student status and eligible deferment activities. As a result, student records and repayment records that are part of the loan collections process must be retained for the appropriate repayment period. In addition, the regulations require that student repayment records be retained for 5 years after repayment of the loan.

8. Comments in Response to the Federal Register Notice/Outside Consultation

Section 8A: A 60-day Federal Register Notice was published in the Federal Register on December 14, 2020; vol. 85, No. 240; pp. 80791-93. There were no public comments.

Section 8B: Program staff contacted four HPSL, LDS, NSL and PCL schools. They reported no problems and there are no unresolved issues.

9. Explanation of any Payment/Gift to Respondents

Respondents will not be remunerated.

10. Assurance of Confidentiality Provided to Respondents

Several records systems were established for the HPSL, LDS, NSL and PCL Programs, which cover the kinds of records maintained by the schools under these regulations. The system numbers are 09-15-0038, and 09-15-0039.

11. Justification for Sensitive Questions

There are no questions of a sensitive nature.

12. Estimates of Annualized Hour and Cost Burden

Section 12A: The reporting and recordkeeping burden is as follows:

RECORDKEEPING REQUIREMENTS

Regulatory/section requirements	Number of Record keepers	Hours per year	Total Burden Hours
HPSL, LDS, and PCL Programs:			
Documentation of Cost of Attendance	432	1.05	454
Promissory Note	432	1.25	540
Documentation of Entrance Interview	432	1.25	540
Documentation of Exit Interview	475	0.37	176
Program Records	475	10	4,750
Student Records	475	10	4,750
Repayment Records	475	19.55	9,286
HPSL/LDS/PCL Subtotal			20,496

Regulatory/section requirements	Number of Record keepers	Hours per year	Total Burden Hours
NSL Program:			
Documentation of Cost of Attendance	304	0.25	76
Promissory Note	304	0.50	152
Documentation of Entrance Interview	304	0.50	152
Documentation of Exit Interview	486	0.14	68
Program Records	486	5	2,430
Student Records	486	1	486
Repayment Records	486	2.51	1,220
NSL Subtotal			4,584

REPORTING REQUIREMENTS

Regulatory/section requirements	Number of Respondents	Responses per Respondent	Total annual responses	Hours per response	Total hour burden
HPSL, LDS, and PCL Programs:					
Student Financial Aid Transcript	4,600	1	4,600	0.25	1,150
Loan Information Disclosure	325	299.5	97,338	0.63	61,323
Entrance Interview	325	139.5	45,338	0.50	22,669
Exit Interview	334	113.5	37,909	1.00	37,909
Notification of Repayment	334	862.5	288,075	0.38	109,469
Notification During Deferment	333	17	5,661	0.63	3,566
Notification of Delinquent Accounts	334	172.5	57,615	1.25	72,019
Credit Bureau Notification	334	6	2,004	0.50	1,002
Write-off of Uncollectible Loans	520	1	520	3	1,560
Disability Cancellation	3	1	3	1	3
Administrative Hearings	0	0	0	0	0
Administrative Hearings	0	0	0	0	0
HPSL/LDS/PCL Subtotal	*334		539,063		310,670

REPORTING REQUIREMENTS Continued

Regulatory/section requirements	Number of Respondents	Responses per Respondent	Total annual responses	Hours per response	Total hour burden
NSL Program:					
Student Financial Aid Transcript	4,100	1	4,100	0.25	1,025
Entrance Interview	282	17.5	4,935	0.42	2,073
Exit Interview	348	9	3,132	0.42	1,315
Notification of Repayment	348	9	3,132	0.27	846
Notification During Deferment	348	1.5	522	0.29	151
Notification of Delinquent Accounts	348	42.5	14,790	0.04	592

Credit Bureau Notification	348	709	246,732	0.006	1,480
Write-off of Uncollectible Loans	23	1	23	3	69
Disability Cancellation	16	1	16	1	16
Administrative Hearings	0	0	0	0	0
Administrative Hearings	0	0	0	0	0
NSL Subtotal	*348		277,382		7,567
AOR HRSA-501	726	1	726	12	8,712
Deferment HRSA- 519	2060	1	2060	.5	1,030
GRAND TOTAL (instruments & recordkeeping requirements)	*348	****	277,382	****	327,979

*Includes active and closing schools.

RECORDKEEPING REQUIREMENTS Basis for Burden:

The estimates of burden for the schools are for the maintenance of required records on the history and status for each loan account.

The total burden for the HPSL, LDS, NSL, and PCL schools is **25,080**.

REPORTING REQUIREMENTS Basis for Burden:

The total burden for the HPSL, LDS, NSL, and PCL schools is **327,979**

12B. The total cost burden for the **recordkeeping** of the HPSL, LDS, NSL, and PCL program is **\$271,657.36** (please see chart below for breakdown). Some of these record keeping burdens are shared with Title IV programs. For those that are shared, we calculated a 50% cost. All others were calculated at 100% cost.

Shared recordkeeping burdens included: Documentation of Cost of Attendance, Documentation of Entrance Interview, Documentation of Exit Interview, Student Records, and Repayment Records

RECORDKEEPING REQUIREMENTS

Regulatory/section requirements	Total Burden Hours	Hourly Wage Rate	Percent of shared time and cost	Total Respondent Costs
HPSL, LDS, and PCL Programs:				
Documentation of Cost of Attendance	454	18.46	50%	\$4,190.42
Promissory Note	540	18.46	100%	\$9,968.40
Documentation of Entrance Interview	540	18.46	50%	\$4,984.20
Documentation of Exit Interview	176	18.46	50%	\$1,624.48
Program Records	4,750	18.46	100%	\$87,685.00

Student Records	4,750	18.46	50%	\$43,842.50
Repayment Records	9,286	18.46	50%	\$85,709.78
HPSL/LDS/PCL Subtotal	20,496			\$238,004.78

Regulatory/section requirements	Total Burden Hours	Hourly Wage Rate	Percent of shared time and cost	Total Respondent Costs
NSL Program:				
Documentation of Cost of Attendance	304	18.46	50%	\$2,805.92
Promissory Note	304	18.46	100%	\$5,611.84
Documentation of Entrance Interview	304	18.46	50%	\$2,805.92
Documentation of Exit Interview	486	18.46	50%	\$4,485.78
Program Records	486	18.46	100%	\$8,971.56
Student Records	486	18.46	50%	\$4,485.78
Repayment Records	486	18.46	50%	\$4,485.78
NSL Subtotal	2,856			\$33,652.58
TOTAL				\$271,657.36

The total cost burden for the **reporting** of the HPSL, LDS, NSL and PCL program is **\$856,562.46** (please see chart below for breakdown). Some of these reporting burdens are shared with Title IV programs. For those that are shared, we calculated a 50% cost. All others were calculated at 100% cost.

Shared reporting burdens included: Entrance Interview, Exit Interview, Notification during Deferment, Notification of Delinquent Accounts, and Credit Bureau Notification

REPORTING REQUIREMENTS

Regulatory/section requirements	Total hour burden	Hourly Wage Rate	Percent of shared time and cost	Total Respondent Costs
HPSL, LDS and PCL Programs:				
Student Financial Aid Transcript	4,600	18.46	100%	\$84,916.00
Loan Information Disclosure	325	18.46	100%	\$5,999.50
Entrance Interview	325	18.46	50%	\$2,999.75
Exit Interview	334	18.46	50%	\$3,082.82
Notification of Repayment	334	18.46	100%	\$6,165.64
Notification During Deferment	333	18.46	50%	\$3,073.59
Notification of Delinquent Accounts	334	18.46	50%	\$3,082.82
Credit Bureau Notification	334	18.46	50%	\$3,082.82
Write-off of Uncollectible Loans	520	18.46	100%	\$9,599.20
Disability Cancellation	3	18.46	100%	\$55.38
Administrative Hearings	0	18.46	100%	\$0

Administrative Hearings	0	18.46	100%	\$0
AOR HRSA-501	9,072	18.46	100%	\$167,469.12
Deferment HRSA- 519	2,300	18.46	50%	\$21,229
HPSL/LDS/PCL Subtotal	16,514			\$310,755.64

REPORTING REQUIREMENTS Continued

Regulatory/section requirements	Total hour burden	Hourly Wage Rate	Percent of shared time and cost	Total Respondent Costs
NSL Program:				
Student Financial Aid Transcript	4,100	18.46	100%	\$75,686.00
Entrance Interview	282	18.46	50%	\$ 2,602.86
Exit Interview	348	18.46	50%	\$3,212.04
Notification of Repayment	348	18.46	100%	\$6,424.08
Notification During Deferment	348	18.46	50%	\$3,212.04
Notification of Delinquent Accounts	348	18.46	50%	\$3,212.04
Credit Bureau Notification	348	18.46	50%	\$3,212.04
Write-off of Uncollectible Loans	23	18.46	100%	\$424.58
Disability Cancellation	16	18.46	100%	\$295.36
Administrative Hearings	0	18.46	100%	0
Administrative Hearings	0	18.46	100%	0
AOR HRSA-501	6,384	18.46	100%	\$117,848.64
Deferment HRSA- 519	2,050	18.46	50%	\$ 18,921.50
NSL Subtotal				\$ 235,051.18
TOTAL				\$545,806.82

The wage rate used was 43-3031 Bookkeeping, Accounting, and Auditing Clerks.
<https://www.bls.gov/ooh/office-and-administrative-support/bookkeeping-accounting-and-auditing-clerks.htm>

13. Estimates of other Total Annual Cost Burden to Respondents or Recordkeepers/Capital Costs

There are no maintenance or operating costs. Respondents maintain the required information for their own purposes and the reports are generated automatically. The computers used to generate the reports have been acquired for usual and customary school operations.

14. Annualized Cost to the Federal Government

The total cost to the Federal Government to perform the review of requests for cancellation is \$8,570.

Disability Cancellations (a GS 14 step 7 at 10% of the time is \$13,442.60)

15. Explanation for Program Changes or Adjustments

There are currently 338,403 hours in the inventory with this submission requesting 327,979, which accounts for a 3% reduction in burden. The decrease is a result in the reduction of respondents anticipated for this information collection.

16. Plans for Tabulation, Publication and Project Time Schedule

There are no plans for tabulation, statistical analysis or publication of the information maintained by the schools.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

No exemption is being requested.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This information fully complies with the guidelines in 5 CFR 1320.9. The certifications are included in this package.