

**SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSION  
Loan Cancellation in the Federal Perkins Loan Program**

- 1. Explain the circumstances that make the collection of information necessary. What is the purpose for this information collection? Identify any legal or administrative requirements that necessitate the collection. Include a citation that authorizes the collection of information. Specify the review type of the collection (new, revision, extension, reinstatement with change, reinstatement without change). If revised, briefly specify the changes. If a rulemaking is involved, list the sections with a brief description of the information collection requirement, and/or changes to sections, if applicable.**

This is a request for an extension without change of the current OMB approval for the recordkeeping requirements contained in 34 CFR 674.53, 674.56, 674.57, 674.58 and 674.59. The information collections in these regulations are necessary to determine Federal Perkins Loan (Perkins Loan) Program borrower's eligibility to receive program benefits and to prevent fraud and abuse of program funds. There has been no change to the regulatory requirements.

Section 674.53 – Teacher cancellation – Federal Perkins, NDSL, and Defense loans.

This regulation identifies the requirements for teachers to qualify for cancellation benefits while performing: full-time teaching in an elementary or secondary school serving low-income students; full-time teaching in special education or full-time teaching in fields of expertise as identified in regulation.

Section 674.56 – Employment cancellation – Federal Perkins, NDSL, and Defense loans.

This regulation identifies the categories of service for borrowers to qualify for cancellation benefits including: full-time employment as a nurse or medical technician; full-time employment in a public or private nonprofit child or family service agency; service as a qualified professional provider of early intervention services; full-time employment as a firefighter to a local, State, or Federal fire department or fire district; full-time employment as a faculty member at a Tribal College or University; full-time employment as a librarian with a master's degree; or full-time employment as a speech pathologist with a master's degree.

Section 674.57 – Cancellation for law enforcement or corrections officer service – Federal Perkins, NDSL, and Defense loans.

This regulation identifies the requirements for law enforcement or corrections officers to qualify for cancellation benefits for an eligible employing agency as identified in regulation.

Section 674.58 – Cancellation for service in an early childhood education program.

This regulation identifies the requirements for staff members in a Head Start program to qualify for cancellation benefits as identified in regulation.

Section 674.59 – Cancellation for military service.

This regulation identifies the requirements for borrowers who are members of the U.S. Army, Navy, Air Force, Marine Corps, Coast Guard or Space Force to qualify for cancellation benefits as identified in regulation.

- 2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The requests for cancellation of Perkins Loans are received by the institution to determine the eligibility of the borrower and their loans for the cancellation being requested. The recordkeeping requirements are imposed to ensure accountability of program participants for proper program administration and to justify the payment of funds by the federal government for the institutional share of the cancellation. Not collecting the information described would likely result in a loss of Federal money due to waste, fraud and abuse.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Please identify systems or websites used to electronically collect this information. Also describe any consideration given to using technology to reduce burden. If there is an increase or decrease in burden related to using technology (e.g. using an electronic form, system or website from paper), please explain in number 12.**

Schools conduct business with the Department of Education electronically and share information with the National Student Loan Data System (NSLDS) to verify accuracy of Perkins Loan records.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

A review of procedures indicates that the current requirements are minimal and avoid duplication.

- 5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. A small entity may be (1) a small business which is deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.**

No small businesses are impacted by this collection.

- 6. 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.**

Record keeping requirements are imposed to assure accountability of program participants for proper program administration and less frequent collections impair accountability of program participants.

- 7. 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 collection of this information will be conducted in a manner that is consistent with the guidelines in 5 CFR 1320.5(d)(2).

- 8. As applicable, state that the Department has published the 60 and 30 Federal Register notices as required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.**

**Include a citation for the 60 day comment period (e.g. Vol. 84 FR ##### and the date of publication). Summarize public comments received in response to the 60 day notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden. If only non-**

**substantive comments are provided, please provide a statement to that effect and that it did not relate or warrant any changes to this information collection request. In your comments, please also indicate the number of public comments received.**

**For the 30 day notice, indicate that a notice will be published.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

On April 14, 2022, a Federal Register Notice was published, Vol. 87, No. 72, pages 22198-22199, requesting public comment on the burden estimate in this information collection. One comment was received, see the attached response. No changes have been made to the respondents/responses/burden hours.

The Department is now requesting a 30-day public comment period to solicit comments on the current burden assigned to this regulation.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees with meaningful justification.**

No payment or gifts were provided to the respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If personally identifiable information (PII) is being collected, a Privacy Act statement should be included on the instrument. Please provide a citation for the Systems of Record Notice and the date a Privacy Impact Assessment was completed as indicated on the IC Data Form. A confidentiality statement with a legal citation that authorizes the pledge of confidentiality should be provided.<sup>1</sup> If the collection is subject to the Privacy Act, the Privacy Act statement is deemed sufficient with respect to confidentiality. If there is no expectation of confidentiality, simply state that the Department makes no pledge about the confidentiality of the data. If no PII will be collected, state that no assurance of confidentiality is provided to respondents. If the Paperwork Burden**

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<sup>1</sup> Requests for this information are in accordance with the following ED and OMB policies: Privacy Act of 1974, OMB Circular A-108 – Privacy Act Implementation – Guidelines and Responsibilities, OMB Circular A-130 Appendix I – Federal Agency Responsibilities for Maintaining Records About Individuals, OMB M-03-22 – OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, OMB M-06-15 – Safeguarding Personally Identifiable Information, OM:6-104 – Privacy Act of 1974 (Collection, Use and Protection of Personally Identifiable Information)

**Statement is not included physically on a form, you may include it here. Please ensure that your response per respondent matches the estimate provided in number 12.**

The institution may require the borrower's Social Security Number to process the cancellation request. The Perkins Loan promissory note signed by the borrower to receive the loan contains the Privacy Act Notice. In this notice, which also identifies categories of cancellations, the borrower is informed of the statutory authority for collecting the information requested. Although disclosure of the information is voluntary, the borrower is informed that in order to receive a Perkins Loan or benefit of the loan (cancellation, deferment, etc.) the information must be provided. The notice also identifies what information may be disclosed to whom and for what purpose the information may be disclosed.

- 11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. The justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

The Department is not requesting any sensitive data.

- 12. Provide estimates of the hour burden for this current information collection request. The statement should:**

- **Provide an explanation of how the burden was estimated, including identification of burden type: recordkeeping, reporting or third party disclosure. Address changes in burden due to the use of technology (if applicable). Generally, estimates should not include burden hours for customary and usual business practices.**
- **Please do not include increases in burden and respondents numerically in this table. Explain these changes in number 15.**
- **Indicate the number of respondents by affected public type (federal government, individuals or households, private sector – businesses or other for-profit, private sector – not-for-profit institutions, farms, state, local or tribal governments), frequency of response, annual hour burden. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burden in the table below.**
- **Provide estimates of annualized cost to respondents of the hour burdens for collections of information, identifying and using appropriate wage rate categories. [Use this site](#) to research the appropriate wage rate. The cost of**

**contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14. If there is no cost to respondents, indicate by entering 0 in the chart below and/or provide a statement.**

We are continuing to use the following breakout of institutional respondents: 107 Proprietary institutions, 872 Private institutions, and 550 Public institutions for a total of 1,529 institutions participating in the Federal Perkins Loan Program.

**Section 674.53 – Teacher cancellation-Federal Perkins, NDSL and Defense loans.**

We estimate that there are 4,568 borrowers eligible for this cancellation. We estimate the burden on each borrower for submission of documentation to obtain this cancellation will take .5 hours per borrower.

4,568 borrowers X .5 hours (30 minutes) = 2,284 hours

We estimate that each institution will have additional burden of .25 hours to process the cancellations per eligible borrower.

Proprietary Institutions Responses:

320 (.07 X 4,568 borrowers) X .25 hours (15 minutes) = 80 hours

Private Institutions Responses:

2,604 (.57 X 4,568 borrowers) X .25 hours (15 minutes) = 651 hours

Public Institutions Responses:

1,644 (.36 X 4,568 borrowers) X .25 hours (15 minutes) = 411 hours

Total Burden on Institutions: 1,142 hours

**Section 674.56 – Employment cancellation – Federal Perkins, NDSL and Defense loans.**

We estimate that there are 6,855 borrowers eligible for this cancellation. We estimate the burden on each borrower for submission of documentation to obtain this cancellation will take .5 hours per borrower.

6,855 borrowers X .5 hours (30 minutes) = 3,428 hours

We estimate that each institution will have additional burden of .25 hours to process the cancellations per eligible borrower.

Proprietary Institutions Responses:

480 (.07 X 6,855 borrowers) X .25 hours (15 minutes) = 120 hours

Private Institutions Responses:  
 3,907 (.57 X 6,855 borrowers) X .25 hours (15 minutes) = 977 hours

Public Institutions Responses:  
 2,468 (.36 X 6,855 borrowers) X .25 hours (15 minutes) = 617 hours

Total Burden on Institutions: 1,714 hours

**Section 674.57 - Cancellation for law enforcement or corrections officer service.**

We estimate that there are 769 borrowers eligible for this cancellation. We estimate the burden on each borrower for submission of documentation to obtain this cancellation will take .5 hours per borrower.

**BORROWERS:**

769 X .5 hours (30 minutes) = 385 hours

We estimate that each institution will have additional burden of .25 hours to process the cancellations per eligible borrower.

Proprietary Institutions Responses:  
 54 (.07 X 769 borrowers) X .25 hours (15 minutes) = 14 hours

Private Institutions Responses:  
 438 (.57 X 769 borrowers) X .25 hours (15 minutes) = 110 hours

Public Institutions Responses:  
 277 (.36 X 769 borrowers) X .25 hours (15 minutes) = 69 hours

Total Burden on Institutions: 193 hours

**Section 674.58 - Cancellation for service in a Head Start program.**

We estimate that there are 5,283 borrowers eligible for this cancellation. We estimate the burden on each borrower for submission of documentation to obtain this cancellation will take .5 hours per borrower.

5,283 borroweres X .5 hours (30 minutes) = 2,642 hours

We estimate that each institution will have additional burden of .25 hours to process the cancellations per eligible borrower.

Proprietary Institutions Responses:  
 370 (.07 X 5,283 borrowers) X .25 hours (15 minutes) = 93 hours

Private Institutions Responses:

3,011 (.57 X 5,283 borrowers) X .25 hours (15 minutes) = 753 hours

**Public Institutions Responses:**

1,902 (.36 X 5,283 borrowers) X .25 hours (15 minutes) = 476 hours

Total Burden on Institutions: 1,322 hours

**Section 674.59 – Cancellation for military service.**

We estimate that over a five year period of submission required to receive 100% cancellation that there will be 40,961 borrowers eligible for this cancellation. We estimate the burden on each borrower for submission of documentation to obtain this cancellation will take .5 hours per borrower.

40,961 borrowers X .5 hours (30 minutes) = 20,481 hours

We estimate that each institution will have additional burden of .25 hours to process the cancellations per eligible borrower.

**Proprietary Institutions Responses:**

2,867 (.07 X 40,961 borrowers) X .25 hours (15 minutes) = 717 hours

**Private Institutions Responses:**

23,348 (.57 X 40,961 borrowers) X .25 hours (15 minutes) = 5,837 hours

**Public Institutions Responses:**

14,746 (.36 X 40,961 borrowers) X .25 hours (15 minutes) = 3,687 hours

Total Burden on Institutions: 10,241 hours

	# of Respondents	# of Responses	# of Burden Hours
BORROWERS	58,436	58,436	29,220
INSTITUTIONS	1,529	58,436	<u>14,612</u>
TOTAL	59,965	116,872	43,832

**Estimated Annual Burden and Respondent Costs Table**

Information Activity or IC (with type of respondent)	Number of Respondents	Number of Responses	Average Burden Hours per Response	Total Annual Burden Hours	Estimated Respondent Average Hourly Wage	Total Annual Costs (hourly wage x total burden hours)
Individual	58,436	58,436	See explanation	29,220	\$16.30	\$476,286



Information Activity or IC (with type of respondent)	Number of Respondents	Number of Responses	Average Burden Hours per Response	Total Annual Burden Hours	Estimated Respondent Average Hourly Wage	Total Annual Costs (hourly wage x total burden hours)
			above			
For-Profit Institutions	107	4,091	See explanation above	1,024	\$46.87	\$47,995
Private Institutions	872	33,308	See explanation above	8,328	\$46.87	\$390,333
Public Institutions	550	21,037	See explanation above	5,260	\$46.87	\$246,536
Annualized Totals	59,965	116,872		43,832		\$1,161,150

*Please ensure the annual total burden, respondents and response match those entered in IC Data Parts 1 and 2, and the response per respondent matches the Paperwork Burden Statement that must be included on all forms.*

- 13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)**
- **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and acquiring and maintaining record storage facilities.**
  - **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government or (4) as part of customary and usual business or private practices. Also, these estimates should not include the hourly costs (i.e., the monetization of the hours) captured above in Item 12.**

**Total Annualized Capital/Startup Cost** :  
**Total Annual Costs (O&M)** : \_\_\_\_\_  
**Total Annualized Costs Requested** :

There is no start-up cost associated with these regulations.

- 14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

There is no additional cost to the Federal government as a result of these regulations.

- 15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency's control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion), type of collection (new, revision, extension, reinstatement with change, reinstatement without change) and include totals for changes in burden hours, responses and costs (if applicable).**

	<b>Program Change Due to New Statute</b>	<b>Program Change Due to Agency Discretion</b>	<b>Change Due to Adjustment in Agency Estimate</b>
<b>Total Burden</b>		0	
<b>Total Responses</b>		0	
<b>Total Costs (if applicable)</b>			

The Department of Education is requesting an extension of this information collection without change. The regulations requiring this collection remain in place without

change. The respondents (59,965), responses (116,872) and the burden hours (43,382) remains the same.

- 16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The results of the collection of information will not be published.

- 17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The Department is not seeking this approval.

- 18. Explain each exception to the certification statement identified in the Certification of Paperwork Reduction Act.**

The Department is not requesting any exceptions to the "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-I.