

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION**

Discharge Application: Total and Permanent Disability

Applicant Representative Designation: Total and Permanent Disability

- 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.**

The Department of Education (Department) is requesting a revision of the information collection, 1845-0065.

The Higher Education Act of 1965, as amended (HEA), established the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program, the Federal Family Education Loan (FFEL) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, and the Federal Perkins (Perkins) Loan Program under Title IV, Parts A, B, D, and E, respectively.

Section 437(a)(1) of the HEA authorizes the discharge of a borrower's obligation to repay their FFEL Program loan(s) if the borrower is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted for a continuous period of not less than 60 months, or can be expected to last for a continuous period of not less than 60 months. Section 437(a)(2) of the HEA provides that a borrower who has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition, and who provides documentation of that determination to the Department, will be considered to be totally and permanently disabled for purposes of discharging the borrower's FFEL Program loans, and may not be required to provide additional documentation for loan discharge purposes.

The loan discharge provisions in sections 437(a)(1) and (2) of the HEA are extended to Direct Loan Program and Federal Perkins Loan Program borrowers by sections 455(a)(1) and 464(c)(1) (F) of the HEA, respectively.

Section 420N(d)(2) of the HEA provides for the U.S. Department of Education (the Department) to establish, by regulation, categories of extenuating circumstances under which a TEACH Grant recipient who is unable to fulfill all or part of the recipient's service obligation may be excused from fulfilling that portion of the service obligation.

The regulations governing TPD discharges of federal student loans and TEACH Grant service obligations are contained in 34 CFR 685.213 for the Direct Loan Program, 34 CFR 682.402(c) for the FFEL Program, 34 CFR 674.61(b) for the Perkins Loan Program, and 34 CFR 686.42(b) for the

TEACH Grant Program. Under these regulations, a borrower or TEACH Grant recipient may qualify for TPD discharge based on a qualifying disability determination from the Department of Veterans Affairs (VA) or the Social Security Administration (SSA), or a certification from an authorized medical professional. The Department may discharge an individual's loan or TEACH Grant service obligation without an application or additional documentation if the Department receives information from the VA or the SSA indicating that the individual meets the regulatory eligibility requirements for TPD discharge. A borrower or TEACH Grant recipient may also qualify for TPD discharge by submitting an application to the Department, accompanied by a certification from an authorized medical professional or documentation from the VA or SSA showing that the borrower meets the regulatory requirements for TPD discharge. The *Discharge Application: Total and Permanent Disability* is used for this purpose.

The *Applicant Representative Designation: Total and Permanent Disability* form may be optionally used by a TPD discharge applicant to designate a representative to act on the applicant's behalf in connection with the discharge request, change a previously designated representative, or revoke a previous designation of a representative.

The Department is requesting a revision of the currently approved collection. A final rule published on November 1, 2022 (87 FR 65904) made the following changes to the TPD discharge regulations:

- Expansion of the types of SSA disability determinations that qualify a borrower or TEACH Grant recipient for TPD discharge;
- Elimination of the requirement for borrowers who receive TPD discharges based on SSA determinations or a physician's certification to provide documentation of their annual earnings from employment during the 3-year post-discharge monitoring period; and
- Expansion of the categories of medical professionals who may certify an individual's TPD discharge application.

We have revised the *Discharge Application: Total and Permanent Disability* to reflect the regulatory changes described above. Based on public comment and internal review, we have reorganized the form for clarity and ease of use, as well as updating the Privacy Act Statement.

We have also updated the Privacy Act Statement on the *Applicant Representative Designation: Total and Permanent Disability* form.

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 information collected on the *Discharge Application: Total and Permanent Disability* has been used by the Department to determine whether a borrower or TEACH Grant recipient

meets the eligibility criteria for a total and permanent disability discharge of their loans or TEACH Grant service obligation, and it will continue to be used for this purpose.

The *Applicant Representative Designation: Total and Permanent Disability* form has been optionally used by TPD discharge applicants for the purposes described in Item 1, and it will continue to be used for those purposes.

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.**

The *Discharge Application: Total and Permanent Disability* does not involve the use of technological processes such as electronic submission of responses. This form requires a signature from both the discharge applicant and, if applicable, the authorized medical professional who certifies the applicant's disability. In addition, the medical professional must provide additional information (sometimes including attached documentation) related to the applicant's disabling condition. The United States Postal Service, or some other mail delivery service, provides the only currently feasible means for borrowers and TEACH Grant recipients to return the completed discharge application and any supporting documents. However, the Department will explore options for allowing electronic completion and submission of the *Applicant Representative Designation: Total and Permanent Disability* form.

To significantly reduce burden on discharge recipients, the Department has worked with the VA and the SSA to establish processes that provide for the Department to identify, through electronic exchanges of information, Direct Loan, FFEL, and Perkins Loan program borrowers and TEACH Grant recipients who have received VA or SSA disability determinations that qualify these individuals for TPD discharge under the Department's regulations. Once these individuals have been identified, they are sent a letter informing them that their loans and/or TEACH Grant service obligations will be automatically discharged, unless the borrower or grant recipient notifies the Department by a date specified in the letter that they do not wish to receive the automatic TPD discharge. Through this process, individuals who qualify for TPD discharge based on a VA or SSA disability determination may receive discharges without having to submit an application or any other documentation. The *Discharge Application: Total and Permanent Disability* is available as an alternative option for those who do not have a qualifying VA or SSA disability determination, but who may qualify based on an authorized medical professional's certification, or for those who do not wish to participate in the automatic TPD discharge process above.

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 current requirements avoid duplication. Except as explained in Item 3 for borrowers who qualify for discharge based on a VA or SSA disability determination, there is no information available from other sources that can be used to determine a borrower's or TEACH Grant recipient's eligibility for a total and permanent disability discharge.

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 affected by this information 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.

If a borrower or TEACH Grant recipient who is unable to qualify for TPD discharge through the automatic discharge process described in Item 3 did not complete the *Discharge Application: Total and Permanent Disability*, the Department would not have the information needed to determine whether the individual meets the eligibility requirements for a total and permanent disability discharge. A borrower or TEACH Grant recipient will be required to complete the application only one time to receive a TPD discharge of all of the borrower's loans and/or TEACH Grant service obligations.

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 does not involve any of the above conditions.

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 July 10, 2023, a notice was published in the Federal Register (Vol. 88, No. 130, page 43556) inviting public comment on the *Discharge Application: Total and Permanent Disability*. No comments were received on the *Applicant Representative Designation: Total and Permanent Disability* form. In response to these comments, we have significantly reorganized the content of the application and have made minor changes to text throughout the form for greater clarity. Based on internal review, we have also revised the Privacy Act Statement in both forms.

A summary of the comments received and the Department's responses to those comments is included with this submission. The changes to the form do not affect the burden estimate associated with the collection.

The Department is now requesting the 30 day public comment period.

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

No payments or gifts will be provided to 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.¹ 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 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.

Each form includes a Privacy Act Notice that (1) informs the discharge applicant of the statutory authority for the information collection, (2) explains that disclosure of the information is voluntary, but is required in order to determine the applicant's eligibility for a discharge, and (3) identifies the third parties to whom the information may be disclosed, and explains the circumstances under which such disclosures may occur.

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 *Discharge Application: Total and Permanent Disability* requires the authorized medical professional who certifies the applicant's eligibility for discharge (if required) to provide information about the applicant's disabling condition. This information may be considered sensitive, but it is needed for the Department to determine whether a borrower or TEACH Grant recipient meets the TPD discharge eligibility requirements.

¹ 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)

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.

The total estimated annual reporting hour burden for this information collection is approximately 30,814. These hours include the removal of the 160,000 burden hours for the *Post-Discharge Monitoring: Total and Permanent Disability* form that was included with previous submissions for this collection. The burden estimate for this collection was calculated as follows:

Discharge Application	
Estimated annual number of respondents:	53,229
Number of responses per applicant:	x 1
Hours per response:	<u>x 0.5 (30 minutes)</u>
Annual hour burden:	26,614 hours
Applicant Representative Designation Form	

Estimated annual number of respondents:	8,400
Number of responses per discharge recipient:	x 1
Hours per response:	<u>x 0.5 (30 minutes)</u>
Annual hour burden:	4,200 hours

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	61,629	62,629	.5 hour	30,814	\$22.26	\$685,920
For-Profit Institutions	N/A	N/A	N/A	N/A	N/A	N/A
Private Institutions	N/A	N/A	N/A	N/A	N/A	N/A
Public Institutions	N/A	N/A	N/A	N/A	N/A	N/A
Annualized Totals	61,629	62,629		30,814		\$685,920

For individuals we have used the median hourly wage for all occupations, \$22.26 per hour according to BLS. https://www.bls.gov/oes/current/oes_nat.htm#00-0000.

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 are no capital/startup costs to respondents, nor are there any annual costs to respondents associated with operating or maintaining systems or purchasing services.

The estimated annual cost to respondents is \$38,826 associated with postage. This estimate was calculated by multiplying the revised estimated number of respondents (61,629) by the cost of postage required to return a discharge application or applicant representative designation form (\$0.63).

- 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 significant annualized cost to the Federal government. The Department's contracts with its federal servicers, including the servicer that handles TPD discharge processing, is not based on a fee-for-service model; rather, the Department pays its servicers based on performance metrics.

- 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).

Provide a descriptive narrative for the reasons of any change in addition to completing the table with the burden hour change(s) here.

	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate
Total Burden			
Total Responses			
Total Costs (if applicable)			

This is a revision of the current information collection. The burden of 61,629 respondents/responses for 30,814 hours represents the continued estimated use of the paper form to collect the required information from affected individuals.

- 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 this information collection 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.