

**SUPPORTING STATEMENT**  
**FOR PAPERWORK REDUCTION ACT SUBMISSION**  
Loan Discharge Applications (DL/FFEL/Perkins)

- 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 an extension of the information collection, 1845-0058.

The Higher Education Act of 1965, as amended (HEA), established the Federal Family Education Loan (FFEL) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, and the Federal Perkins (Perkins) Loan programs under Title IV, Parts B, D, and E, respectively. Section 437(c)(1) of the HEA authorizes the discharge of a FFEL or Direct Loan program loan borrower's obligation to repay their loan(s) based on school closure or false certification of student eligibility. Section 464(g)(1) of the HEA authorizes the discharge of a Perkins Loan Program loan based on school closure. For the FFEL and Direct Loan programs, the regulations governing closed school and false certification loan discharges are in 34 CFR 682.402(d) and (e) (FFEL Program) and 34 CFR 685.212, 214 and 215 (Direct Loan Program). For the Perkins Loan Program, the regulations governing closed school discharges are in 34 CFR 674.33(g).

This collection is necessary for loan holders in the FFEL, Direct Loan, and Perkins Loan programs to obtain the information needed to determine whether a borrower qualifies for a closed school or false certification loan discharge. The loan discharge regulations in all three loan programs require borrowers who seek discharge of their loans to request a loan discharge and provide their loan holders with certain information in writing.

This information collection includes the following seven loan discharge applications that are used to obtain the information needed to determine whether a borrower qualifies for a closed school, false certification, or unpaid refund loan discharge:

- 1. Loan Discharge Application: School Closure*
- 2. Loan Discharge Application: False Certification (High School Graduation Status)*
- 3. Loan Discharge Application: False Certification (Disqualifying Status)*
- 4. Loan Discharge Application: False Certification (Unauthorized Signature/Unauthorized Payment)*
- 5. Loan Discharge Application: Unpaid Refund*

6. *Loan Discharge Application: False Certification (Identity Theft)* (this is a new form in this collection)
7. *Group Loan Discharge Application: False Certification of Student Eligibility or Unauthorized Payment* (this is a new new form in this collection)

The Department published a final rule on November 1, 2022 (87 FR 65904) that made significant changes to the regulations governing loan discharge based on school closure and false certification. These changes include the following:

- Standardization of the closed school discharge eligibility requirements for all borrowers, regardless of when their school closed or when their loans were first disbursed;
- Elimination of provisions that disqualified borrowers for closed school discharge based on enrollment in a comparable program;
- Streamlining of the false certification discharge regulations to provide one set of standards for all false certification discharge claims, without regard to when a borrower's loans were first disbursed;
- Elimination of requirements for borrowers applying for loan discharge based on unauthorized signature, unauthorized payment, or identity theft to provide signature samples;
- For false certification discharges based on identity theft, expansion of the types of evidence borrowers may provide to demonstrate eligibility for discharge;
- Clarification that for all types of false certification discharge, eligibility is based on the borrower's status at the time the loan was originated or certified;
- Addition of examples of supporting evidence that may support an application for false certification based on identity theft; and
- Addition of a provision allowing a state attorney general or nonprofit legal services representative to submit an application for a group false certification discharge.

The *Loan Discharge Application: False Certification (High School Graduation Status)* was previously called the *Loan Discharge Application: False Certification (Ability to Benefit)*. We have changed the name of the form to more closely align with the regulatory provisions on which the form is based. We have revised the renamed *Loan Discharge Application: False Certification (High School Graduation Status)*, the *Loan Discharge Application: School Closure*, the *Loan Discharge Application: False Certification (Disqualifying Status)*, and the *Loan Discharge Application: False Certification (Unauthorized Signature/Unauthorized Payment)* forms to reflect the changes described above, and have made other minor changes to the forms to improve clarity.

We have also created two new forms, the *Loan Discharge Application: False Certification (Identity Theft)* and the *Group Loan Discharge Application: False Certification of Student Eligibility or Unauthorized Payment*. Currently, borrowers seeking false certification discharges based on identity theft often use the similar *Loan Discharge Application:*

*Forgery*. We are creating the new *Loan Discharge Application: False Certification (Identity Theft)* to provide a form specifically tied to the identity theft discharge regulations, as amended by the November 1, 2022 Final Rule. The new *Group Loan Discharge Application: False Certification of Student Eligibility or Unauthorized Payment* will be used by state attorneys general or nonprofit legal services representatives to submit group false certification discharge applications in accordance with the new provision added by the November 1, 2022 Final Rule.

Although the November 1, 2022 Final Rule did not make any changes to the unpaid refund loan discharge regulations, we have revised the *Loan Discharge Application: Unpaid Refund* by removing language directed to borrowers whose last period of enrollment was prior to October 7, 2000, and have made other minor changes for greater clarity.

- 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 Department and FFEL and Perkins Program loan holders use the information collected on the forms to determine whether a borrower qualifies for a loan discharge. The collection will continue to be used for this purpose.

Borrowers generally obtain copies of the loan discharge applications by contacting their loan holder. The Department's servicers and FFEL and Perkins Program loan holders may also make the form available on their web sites.

- 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 Department continues its effort to maximize the use of available information technology in making and servicing Direct Loans. The Department encourages FFEL Program loan holders to use computer technology extensively, when it is feasible and cost-effective. Most loan holders and servicers permit borrowers to scan and upload or scan and email copies of forms.

- 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.**

There is no similar information already available from other sources that can be used for the purposes described in Item 2.

- 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.**

The discharge applications are used as needed by borrowers, or organizations acting on behalf of borrowers, who believe they qualify for loan discharge based on school closure, false certification, or unpaid refund. If this collection is not conducted, borrowers will be denied statutory and regulatory relief from repayment of federal student loans under specific conditions.

- 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.**

This information collection 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.**

The emergency clearance package was submitted to OMB and approved on June 28 , 2023. On July 10, 2023, a notice was published in the Federal Register (Vol. 88, No. 130, pages 43557-43558) inviting public comment period on the burden assessment. The 60-day public comment period expired September 8, 2023. One comment was received however, the issue raised by the commenter relates to the SAVE program which is outside the scope of this information collection. No changes have been made to the estimated number of respondents, responses, or burden hours. No changes have been made to the forms.

The Department is now requesting that the 30-day public comment period Federal Register notice be published in order to allow for full public comment on the process.

- 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 have been 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.<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 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 forms include a Privacy Act Notice that (1) informs borrowers of the statutory authority for the information collection; (2) explains that the disclosure of the information is voluntary, but is required in order to qualify for a loan discharge; and (3) identifies the third parties to whom the information may be disclosed and explains the circumstances under which those 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 forms do not require borrowers to provide any information noted above.

- 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.**

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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)

- **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 Department estimates the total annual number of respondents for this information collection to be as follows:

1. *Loan Discharge Application: School Closure* = 22,083
2. *Loan Discharge Application: False Certification (High School Graduation Status)* = 3,715
3. *Loan Discharge Application: False Certification (Disqualifying Status)* = 1,290
4. *Loan Discharge Application: False Certification (Unauthorized Signature/Payment)* = 2,563
5. *Loan Discharge Application: False Certification (Identity Theft)* = 2,700
6. *Loan Discharge: Unpaid Refund* = 400
7. *Group Loan Discharge Application: False Certification of Student Eligibility or Unauthorized Payment* = 10

The estimated time required to complete each the first six forms listed above is 0.5 hours (30 minutes).

The estimated time required to complete the *Group Loan Discharge Application: False Certification of Student Eligibility or Unauthorized Payment* is 500 hours.

Based on one response per respondent per year, this equates to a total estimated annual reporting burden of 21,376 hours, calculated as follows:

Estimated annual number of respondents		32,751
for forms 1 through 6 above:		
Number of responses per borrower:	x	1
Hours per response:	x	0.5
		(30 minutes)

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Annual hour burden for forms 1 through 6:	16,376 hours
Estimated annual number of respondents for form 7 above:	10
Number of responses per applicant:	1
Hours per response:	500
Annual hour burden for form 7	5,000
Total annual hour burden for collection:	21,376

### 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	32,751	32,751	.50 hours	16,376	\$22.00	\$360,272
For-Profit Institutions	N/A	N/A	N/A	N/A	N/A	N/A
Private Institutions	6	6	500 hours	3,000	\$46.59	\$139,700
Public Institutions	4	4	500 hours	2,000	\$46.59	\$93,180
Annualized Totals	32,761	32,761		21,376		\$533,752

For individuals we have used the median hourly wage for all occupations, \$22 per hour according to BLS. [https://www.bls.gov/oes/current/oes\\_nat.htm#00-0000](https://www.bls.gov/oes/current/oes_nat.htm#00-0000).

For institutions we have used the median hourly wage for Education Administrators, Postsecondary, \$46.59 per hour according to BLS. <https://www.bls.gov/oes/current/oes119033.htm>.

***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.

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 cost to the federal government related to these forms from FFEL Program, Direct Loan, or Perkins Loan borrowers, since loan holders and servicers distribute and process the loan discharge applications, and the Department servicers do not specifically charge the government for distributing these forms.

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
<b>Total Burden</b>			
<b>Total Responses</b>			
<b>Total Costs (if applicable)</b>			

This is a request for an extension of the current burden hours, respondents and responses. There is a change within this collection that update the privacy statement language on the form. The burden associated with this collection remains 32,761 respondents and responses for a total of 21,376 hours due to changes in regulatory requirements and updates to the new forms.

- 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".