

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
PLUS Adverse Credit Reconsideration Loan Counseling**

- 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.**

Section 428B(a)(1)(A) of the Higher Education Act of 1965, as amended (HEA), provides that to be eligible to receive a Federal PLUS Loan under the Federal Family Education Loan (FFEL) Program, the applicant must not have an adverse credit history, as determined pursuant to regulations promulgated by the Secretary. In accordance with section 455(a)(1) of the HEA, this same eligibility requirement applies to applicants for PLUS loans under the Direct Loan Program. Since July 1, 2010 there have been no new FFEL Program loans originated and the Direct Loan Program is the only Federal loan program that offers Federal PLUS Loans.

The adverse credit history section of the eligibility regulations in 34 CFR §[685.200](#) (b) and (c) were updated in 2014 by the Department of Education (the Department) when a review of and a change to the regulations was made. Specifically, an applicant for a PLUS loan who is determined to have an adverse credit history must complete loan counseling offered by the Secretary before receiving the Federal PLUS loan.

The Department is requesting an extension to the information collection regarding the adverse credit history regulations in 34 CFR §685.200 (b) and (c) and the burden these changes create for Federal PLUS loan borrowers, both parent and graduate/professional students.

- 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 in this collection is used by the Department to confirm that either the parent or graduate/professional student borrower has successfully completed the required loan counseling component of the PLUS loan processing for those borrowers with adverse credit history determinations. Upon the successful completion of the designated loan counseling and submission of either documentation of extenuating circumstances or the obtaining of a creditworthy endorser the PLUS loan will be approved for origination to the borrowers.

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 offers the enhanced PLUS loan counseling to PLUS applicants at the website studentaid.gov. This website houses the Direct Loan program entrance and exit counseling that is currently required of student borrowers. This site also houses the Direct PLUS Loan Request for Supplemental Information (1845-0103) that leads to the credit review and the PLUS loan endorser application link.

This website is available to those who are required to complete the PLUS counseling due to adverse credit as well as those who are not required but wish to access the enhanced PLUS counseling information. PLUS borrowers who are required to complete the enhanced PLUS counseling will need to have an FSA ID to ensure that their completion of the counseling will be recorded. The use of the FSA ID allows the Department to link the PLUS applications to data imported from other Department systems to populate previous borrowing attributed to the borrower to provide them with a more complete picture of Federal student loan indebtedness. This electronic method is the only method of completing the required counseling at this time.

Those borrowers who are not required to complete the enhanced PLUS counseling but would like additional financial literacy information have access through this same website but will not be required to have an FSA ID to access the counseling. However, without the FSA ID, information regarding other Federal student loan borrowing cannot be imported and made available during the counseling session.

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.**

This loan counseling may include similar information currently provided in the required entrance counseling for student borrowers, including first-time graduate/professional student PLUS borrowers. However, currently there is no statutory requirement for PLUS borrowers to complete loan counseling. This enhanced PLUS counseling would only be required for PLUS borrowers who have had a determination of adverse credit. It will also be available to those PLUS borrowers who are not required to complete the enhanced PLUS counseling but are interested in additional information about the PLUS loan program. The counseling is designed for mature borrowers, including graduate/professional students and parents borrowing a PLUS loan on behalf of

undergraduate dependent students, who have had more experience with loans and financing.

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.**

Absent this collection, a PLUS borrower would not be able to be in compliance with the regulations and would be unable to receive PLUS loan financial assistance to which they would otherwise be eligible.

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.

There has been no change to these regulations since the previous review.

On February 16, 2024 a notice was published in the Federal Register (89 FR 12329) inviting public comment on this information collection for a 60 day comment period. The comment period ended on April 16, 2024 and 4 comments were received. See attached table for Federal Student Aid responses. No changes were made to the document or to the number of respondents/responses/burden hours based on these comments.

The Department is now requesting a 30 day public comment notice be published in the Federal Register to allow for public input.

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 will be 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.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.**

The collection of privacy protected information (PII) is required under the rule however no assurance of confidentiality is provided to respondents. The [Privacy Statement](#) on the StudentAid.gov web site contains information about the uses and protections to borrowers using the web site for loan related purposes.

- 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.**

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)

- **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 regulations require PLUS applicants (parents and graduate/professional students) who have been denied a PLUS loan due to an adverse credit history determination to complete enhanced PLUS loan counseling and submit documentation of extenuating circumstances to the Secretary to request a review of the loan application.

The Secretary determined that the requirement for enhanced PLUS loan counseling to all PLUS applicants who have been determined to have adverse credit whether they elect to pursue the PLUS loan by providing to the Secretary documentation of extenuating circumstances or by obtaining a creditworthy endorser will provide the greatest benefit to borrowers.

We continue to utilize the estimate of 381,485 PLUS loan denials. Of those PLUS loan denials, 18,844 PLUS loans were approved after an extenuating circumstances document review and 52,568 PLUS loans were approved after the borrower obtained a creditworthy endorser for a total of 71,412 approved appeals.

We estimate that each borrower's (parent or graduate/professional student) submission of documentation for the Secretary's consideration of extenuating circumstances or efforts to obtain a creditworthy endorser would take, on average, 1 hour per submission for a total of 71,412 hours of burden under OMB Control Number 1845-0129 (71,412 PLUS loan appeals submitted times 1 hour = 71,412 hours).

We continue to utilize the estimate of 9,204 graduate/professional PLUS loans initially denied but subsequently approved through the extenuating circumstances review. Since all first time graduate/professional PLUS borrowers are currently required to undergo loan entrance counseling, we estimate that the addition to the current counseling requirements to include the enhance PLUS counseling component as a part

of the review process would, on average, increase loan counseling by .50 hours (30 minutes) for each affected graduate/professional PLUS loan applicant for a total of 4,602 hours of burden under OMB Control Number 1845-0129.

We continue to utilize the estimate of 20,345 graduate/professional PLUS loans initially denied but subsequently approved by the borrower obtaining a creditworthy endorser. Since all first time graduate/professional PLUS borrowers are currently required to undergo loan entrance counseling, we estimate that the addition to the current counseling requirements to include the enhanced PLUS counseling component as a part of the review process would, on average, increase loan counseling by .50 hours (30 minutes) for each affected graduate/professional PLUS loan applicant for a total of 10,173 hours of burden under OMB Control Number 1845-0129.

We continue to utilize the estimate of 9,640 parent PLUS loans initially denied but subsequently approved through the extenuating circumstances review. There is currently no required entrance counseling for parent PLUS borrowers. We estimate that the burden for the parents required to review the enhanced PLUS loan counseling would, on average, take each parent PLUS borrower .50 hours (30 minutes) to complete the extenuating circumstances review process for a total of 4,820 hours of burden under OMB Control Number 1845-0129.

We continue to utilize the estimate of 32,223 parent PLUS loans initially denied but subsequently approved by obtaining a creditworthy endorser. There is currently no required entrance counseling for parent PLUS borrowers. We estimate that the burden for the parents completing the enhanced PLUS loan counseling would, on average, take each parent PLUS borrower .50 hours (30 minutes) to complete the loan counseling component of the review process for a total of 16,112 hours of burden under OMB Control Number 1845-0129.

Revised Burden Totals

Respondents	Responses	Burden Hours
71,412	142,824	107,119

Previous Burden Totals

Respondents	Responses	Burden Hours
71,412	142,824	107,119

Difference

Respondents	Responses	Burden Hours
0	0	0

Overall burden would remain 107,119 hours for 142,824 respondents approved under Control Number 1845-0129.

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	71,412	71,412	1	71,412	\$22.26	\$1,589,631
Individual	*	71,412	.5	35,707	\$22.26	\$794,838
Totals	71,412	142,824		107,119		\$2,384,469

The asterisk is used to avoid double counting the number of respondents.

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.

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 cost to the Federal Government.

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 request for an extension without change of the current information collection. We are continuing to estimate 107,119 hours for 71,412 PLUS applicants and 142,824 responses.

- 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" of OMB Form 83-1.