

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
Reaffirmation Agreement**

- 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 Higher Education Act of 1965, as amended (HEA), established the Federal Family Education Loan (FFEL) Program, and the William D. Ford Federal Direct Loan (Direct Loan) Program under Title IV, Parts B and D respectively. The HEA provides for a maximum loan amount that a borrower can receive per year and in total. If a borrower receives more than the maximum amount, the borrower becomes ineligible for further Title IV aid (including Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Federal Work-Study, and Teacher Education Assistance for Higher Education (TEACH) Grants, Iraq and Afghanistan Service Grants) unless the borrower repays the excess amount or agrees to repay the excess amount according to the terms and conditions of the promissory note that the borrower signed. Agreeing to repay the excess amount according to the terms and conditions of the promissory note that the borrower signed is called “reaffirmation”, which is the subject of this collection.

This renewal without change of the information collection is necessary for the Department of Education (the Department), as a holder of some FFEL Program loans and all Direct Loans, and all FFEL Program lenders to capture the borrower’s formal agreement to repay any excess amount of FFEL or Direct Loan program loans that the borrower received according to the terms and conditions of the promissory note the borrower signed. The form has not been changed since its last update.

- 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 Program lenders use the information on this form to enforce the borrower’s obligation to repay the total FFEL or Direct Loan debt that the borrower obtained including the amounts in excess of the annual or aggregate loan limit.

- 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 and FFEL Program loans when it is feasible and cost-effective. However, because institutions must complete Section 3 of the form and submit it to the student, the Department is not currently in a position to host the completion of this form online.

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.

If borrowers request reaffirmation less frequently than is currently required, such borrowers would be ineligible for Title IV aid.

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.

On April 4, 2024 a notice was published in the Federal Register (89 FR 23565) requesting public comment on this information collection. The comment period concluded June 3, 2024 and one comment was received. See attached comment and response. No changes were made to the form or to the number of respondents/responses/burden hours for the information collection. The Department is now requesting a 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 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.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 form includes 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 participate in the reaffirmation agreement; and (3) identifies the third parties to whom the information may be disclosed and explains the circumstances under which those disclosures may occur. The System of Records Notice that includes the data in this collection is the Common Services for Borrowers notice, Vol 88, FR 48449, 7-27-2023.

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 form does not require borrowers to provide any information of a sensitive nature.

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

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)

- **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.**

In calendar 2023, the Department has received the total number of 4,297 applications from individual borrowers using this information collection form.

The estimated time for individuals who wish to reaffirm their federal student loan overpayment to complete the form is 0.08 hours (5 minutes). Based on one response per respondent, this equates to a total estimated annual reporting burden of 484 hours, calculated as follows:

Estimated annual number of respondents:		4,297
Number of responses per borrower:	x	1
Hours per response:	x	0.08
		(5 minutes)
Annual hour burden:		<u>344 hours</u>

The institution at which the borrower is enrolled must assist the student in completing the reaffirmation agreement by completion Section 3 of the form. The burden estimates on institutions, disaggregated by entity type, is below:

The estimated time required to complete the form is 0.16 hours (10 minutes).
Based on one response per respondent, this equates to a total estimated annual reporting burden of 688 hours, calculated as follows:

- Public institutions - 1,547 respondents

Estimated annual number of responses:		1,547
Number of responses per institutions:	x	1
Hours per response:	x	0.16
		<u>(10 minutes)</u>
Annual hour burden:		248 hours
- Private, not-for-profit institutions - 1,418 respondents

Estimated annual number of responses:		1,418
Number of responses per institutions:	x	1
Hours per response:	x	0.16
		<u>(10 minutes)</u>
Annual hour burden:		227 hours
- Proprietary institutions - 1,332 respondents

Estimated annual number of responses:		1,332
Number of responses per institutions:	x	1
Hours per response:	x	0.16
		<u>(10 minutes)</u>
Annual hour burden:		213 hours

	<u># of Respondents</u>	<u># of Responses</u>	<u>Total Burden Hours</u>
Previous Totals	11,445	12,110	1,453
Revised Totals	<u>8,594</u>	<u>8,594</u>	<u>1,032</u>
DIFFERENCE	-2,851	-3,516	-421

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 rounded)
Individual	4,297	4,297	.08	344	\$22.26	\$7,657
For-Profit Institution	1,332	1,332	.16	213	\$48.05	\$10,235
Private Institution	1,418	1,418	.16	227	\$48.05	\$10,907
Public Institution	1,547	1,547	.16	,248	\$48.05	\$11,916
Annualized Totals	<u>8,594</u>	<u>8,594</u>		<u>1,032</u>		<u>\$40,715</u>

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.

For institutions we have used the median hourly wage for Education Administrators, Postsecondary, \$48.05 per hour according to BLS. <https://www.bls.gov/oes/current/oes119033.htm>.

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 this form as the Department servicers do not specifically charge the government for distributing this form.

- 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			-421
Total Responses			-3,516
Total Costs (if applicable)			

This is a request for an extension of this collection. This adjustment is due to fewer than anticipated forms being filed. No new information is being requested and there are changes to the time estimate to complete the form. The adjusted burden hours are 1,032, for 8,594 respondents for a savings of 421 hours.

- 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".