

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION

- Direct Subsidized Loan and Direct Unsubsidized Loan Master Promissory Note
 - Direct PLUS Loan Master Promissory Note and Direct PLUS Loan Endorser Addendum
 - Direct Consolidation Loan Application and Promissory Note and Related Forms
- 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.**

*Direct Subsidized Loan and Direct Unsubsidized Loan Master Promissory Note
Direct PLUS Loan Master Promissory Note and Direct PLUS Loan Endorser Addendum*

Section 455(i) of the Higher Education Act of 1965, as amended (the HEA) requires the U.S. Department of Education (the Department) to develop, print, and distribute a standard promissory note to schools that participate in the William D. Ford Federal Direct Loan Program (Direct Loan Program).

The standard promissory note for Direct Subsidized Loans and Direct Unsubsidized Loans is the Direct Subsidized Loan and Direct Unsubsidized Loan Master Promissory Note (Subsidized/Unsubsidized MPN). The standard promissory note for Direct PLUS Loans is the Direct PLUS Loan Master Promissory Note (PLUS MPN).

The Subsidized/Unsubsidized MPN and the PLUS MPN were developed by the Department in accordance with §432(m)(1)(D) of the HEA, which requires the Department to develop and use master promissory notes for loans made under the Direct Loan program. A master promissory note is a promissory note under which a borrower may receive loans for a single academic year or multiple academic years (see 34 CFR 685.102(b)).

The Direct Loan Program regulations at 34 CFR 685.201(a)(2) require a borrower to complete a Subsidized/Unsubsidized MPN before receiving a Direct Subsidized Loan or Direct Unsubsidized loan. Regulations at 34 CFR 685.201(b)(1) and (b)(2) require parent or graduate and professional student borrowers to complete a PLUS MPN before receiving a Direct PLUS Loan.

Under §428B(a)(1)(A) of the HEA, one of the eligibility requirements to receive a Direct PLUS Loan is that the borrower must not have an adverse credit history, as determined by regulations issued by the Department. The Direct Loan Program regulations allow a Direct PLUS Loan applicant who has an adverse credit history to receive a Direct PLUS Loan if the individual obtains an endorser who does not have an adverse credit history (34 CFR 685.200(b)(5) and 34

CFR 685.200(c)(1)(vii)(A)(2)). The Endorser Addendum to the PLUS MPN (PLUS Endorser Addendum) is the means by which an endorser agrees to repay a Direct PLUS Loan if the borrower does not repay the loan. If an applicant for a Direct PLUS Loan is determined to have an adverse credit history and obtains an endorser, only one loan can be made under the PLUS MPN. To obtain a subsequent Direct PLUS Loan, the borrower must complete a new PLUS MPN.

Direct Consolidation Loan Application and Promissory Note and related forms

The Student Loan Reform Act of 1993, enacted on August 10, 1993, established the Direct Loan Program under Title IV, Part D, of the HEA. This legislation authorized the Federal Direct Consolidation Loan Program, which allows eligible borrowers to consolidate certain federal education loans into a Direct Consolidation Loan. A Direct Consolidation Loan may allow a borrower to extend the period for repaying a loan, and in some cases may provide the borrower with a lower fixed interest rate. In addition, borrowers with loans made under the Federal Family Education Loan (FFEL) Program may consolidate their loans into a Direct Consolidation Loan to take advantage of certain benefits and repayment options that are available only in the Direct Loan Program. The regulations governing Direct Consolidation Loans are contained in 34 CFR 685.220.

The Direct Loan regulations at 34 CFR 685.202(c) and 34 CFR 685.220(e) require a borrower who wishes to receive a Direct Consolidation Loan to submit a completed Direct Consolidation Loan Application and Promissory Note (Consolidation Application/Promissory Note) to the Department. The processing of a borrower's consolidation application involves the Loan Verification Certificate (LVC) and Request to Add Loans as described in Item 2 of this Supporting Statement.

In this Supporting Statement, we use the term "promissory note" to refer collectively to the Subsidized/Unsubsidized MPN, the PLUS MPN, and the Consolidation Application/Promissory Note.

The Department is requesting a revision of the currently approved Subsidized/Unsubsidized MPN, PLUS MPN, PLUS Endorser Addendum, Consolidation Application/Promissory Note, LVC, and Request to Add Loans.

The proposed changes to the forms currently approved under OMB No. 1845-0007 include the following:

- We have revised language in the promissory notes where necessary to reflect changes to the terms and conditions of Direct Loans made by final regulations published on November 1, 2022 (87 FR 65904) and July 10, 2023 (88 FR 43820).
- The currently approved promissory notes contain a "Terms and Conditions" section and a separate "Borrower's Rights and Responsibilities Statement (BRR)." Generally, all information covered in the Terms and Conditions section is also covered in the BRR, along with addi-

tional information that is not included in the Terms and Conditions section. To eliminate duplication of content, we have consolidated the information presented in the current Terms and Conditions and BRR into a single "Terms/BRR" section.

- In the currently approved forms, the instructions for completing the promissory notes are either on a separate page at the end of the promissory note or in a separate document. To make it easier for borrowers to complete the promissory notes, we have incorporated the instructions within the body of the promissory notes at the beginning of each section to which the instructions apply.
- The forms currently approved under OMB No. 1845-0007 include the Consolidation Application/Promissory Note and the Additional Loan Listing Sheet. The Additional Loan Listing Sheet is simply an extension of the Consolidation Application/Promissory Note that provides additional space for the borrower to list loans to be consolidated (or not consolidated) if there is insufficient space to list all loans in the Consolidation Application/Promissory Note. To reduce the number of forms in this collection, we have eliminated the Additional Loan Listing Sheet and added extra spaces to list loans in the Consolidation Application/Promissory Note itself. With this change we do not anticipate the elimination of the Additional Loan Listing Sheet will affect the burden estimates for this collection.
- To accommodate changes made to the Department's systems used in processing promissory notes, the current data field in all of the promissory notes that asks for the borrower's middle initial has been changed to request the borrower's full middle name, and a new data field asking for any name suffix (e.g., Jr. or Sr.) has been added.
- We have revised the Privacy Act Statement in each of the promissory notes based on the most recent updates to the applicable Systems of Records Notices.

In addition to the substantive changes described above, we have made minor wording changes in various places throughout the forms 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 will continue to use the information collected on the promissory notes and PLUS Endorser Addendum to process and service loans made under the Direct Loan Program. Each promissory note serves as a borrower's legally binding promise to repay all loans made under that promissory note. The Endorser Addendum serves as the endorser's legally binding promise to repay a Direct PLUS Loan if the borrower does not repay the loan.

In addition to the Consolidation Note, there are two additional Direct Consolidation Loan forms that will continue to be used as follows:

- Request to Add Loans. This form may be used by borrowers to add additional loans to a Direct Consolidation Loans after the application and promissory note has been submitted, or up to 180 days after a Direct Consolidation Loan has been made.
- Loan Verification Certificate (LVC). The LVC is used to confirm that a borrower's loans are eligible for consolidation, and to verify the current payoff amount of each loan. Once a borrower's application and promissory note has been processed, ED sends an LVC to the loan holder or loan servicer of each loan that the borrower wants to consolidate. After completing the LVC, the loan holder/servicer returns the form to ED. Most loan holders/servicers provide the LVC information to ED electronically via our website or a batch process.

Borrowers may complete and submit the promissory notes online at the Department's StudentAid.gov website, or may complete and return paper promissory notes.

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 makes maximum use of available information technology to process promissory notes and related forms.

Subsidized/Unsubsidized MPN

Schools electronically receive data provided by the student on the Free Application for Federal Student Aid (FAFSA) form and create loan records based on the FAFSA form data and additional data provided by the school. This process allows most of the information requested in the Borrower Information section of the MPN to be preprinted, thus reducing burden on borrowers.

Borrowers have the option of completing the Subsidized/Unsubsidized MPN through an entirely electronic process, using a personal identification number (PIN) provided by the Department. The Department will continue to offer this option with the revised form. The electronic process uses an HTML (hypertext markup language) version of the MPN and stores the HTML version as the authoritative copy of the form. The text and data elements on the HTML version are identical to the text and data elements on the paper form that a borrower may optionally choose to complete. Currently, more than 99% of Subsidized/Unsubsidized MPNs are completed electronically.

PLUS MPN

A school may use information reported on the FAFSA form by a graduate or professional student borrower or by the student for whom a parent is borrowing a Direct PLUS Loan to complete portions of the PLUS MPN before the form is given to the borrower to sign. This reduces burden by eliminating the need for the borrower to provide the same information again. Similarly, schools electronically transmit information collected on the PLUS MPN to the Department. That information is then used by the Department to preprint borrower and/or student information on the PLUS Endorser Addendum if an applicant for a Direct PLUS Loan is determined to have an adverse credit history.

Borrowers have the option of completing the PLUS MPN through an entirely electronic process, using a personal identification number (PIN) provided by the Department. This process is essentially the same as the electronic process that is available to Direct Subsidized and Direct Unsubsidized loan borrowers. The electronic process for Direct PLUS Loans uses an HTML (hypertext markup language) version of the PLUS MPN and stores the HTML version as the authoritative copy of the form. The text and data elements on the HTML version are identical to the text and data elements on the paper PLUS MPN that a borrower may optionally choose to complete. Currently, more than 99% of Direct PLUS Loan MPNs are completed electronically.

The Department also gives Direct PLUS Loan endorsers the option of completing the PLUS Endorser Addendum through an entirely electronic process that is modeled on the electronic process for the PLUS Loan MPN, as described above. Currently, approximately 96% of Direct PLUS Loan endorsers complete the PLUS Endorser Addendum electronically.

Consolidation Application/Promissory Note and related consolidation forms:

The Consolidation Application/Promissory Note, LVC, and Request to Add Loans are all available on our website in PDF format for respondents to download in PDF format, complete, and submit to us. In addition, respondents may complete the Consolidation Application/Promissory Note and the LVC electronically. Approximately 99% of Direct Consolidation Loan applicants complete and submit the Consolidation Application/Promissory Note electronically on our website.

For borrowers who complete and submit the Consolidation Application/Promissory Note electronically on the Department's website, and in some cases for borrowers who download the form in PDF format from our website, the Department prepopulates the Borrower Information section, the Loans I Want to Consolidate section, and the Loans I Do Not Want to Consolidate section using existing information about the borrower and the borrower's loans in our loan servicing systems and/or the National Student Loan Data System (NSLDS). The instructions for completing the Consolidation Application/Promissory Note inform borrowers that some of the information in these sections may have been completed for them. Prepopulating portions of the form significantly reduces burden on applicants, since they only have to review the preprinted information for completeness and accuracy and make any necessary changes (e.g., correcting information or indicating that they do not want to consolidate a loan listed in the Loans I Want to Consolidate section).

All loan holders/servicers have the option of completing the LVC electronically. They may do this (1) by completing and returning an LVC for each applicant via our website for loan holders/servicers or (2) by completing and returning LVCs for multiple applicants through a batch process. Both electronic processes reduce burden for loan holders/servicers by providing a more convenient, efficient and expedient way to complete and return the required LVCs. Approximately 90% of LVCs are completed electronically.

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.

Except as explained in Item 3, above, there is no information 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.

Without this collection of information, borrowers would not be able to receive Direct Loan Program loans. The Subsidized/Unsubsidized and PLUS MPNs minimize the frequency of data collection by allowing a borrower who has completed an initial MPN to receive subsequent loans for up to 10 years without signing another MPN, if the borrower is attending a school that is authorized to make multiple loans under the MPN and chooses to do so. The MPN also reduces burden for borrowers attending schools that are not authorized to use the multi-year feature of the MPN (or that choose not to do so), since they may receive subsequent loans during the same academic year without having to sign a new MPN.

The PLUS Endorser Addendum must be completed each time a borrower who is determined to have an adverse credit history obtains an endorser for a Direct PLUS Loan.

The Consolidation Application/Promissory Note and the LVC will be completed by an applicant or a loan holder/servicer one time for each Direct Consolidation Loan. The Request to Add Loans will be completed by a borrower only when the borrower wants to request that one or more loans not included on the original Consolidation Note be added to the borrower's Direct Consolidation Loan, either before the loan is made or within 180 days of the date the loan is made. If the information requested on the Direct Consolidation Loan forms were not collected,

borrowers would not be able to take advantage of the benefits offered by Direct Consolidation Loans, as described in Item 1 of this supporting statement.

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), with one exception. The LVC must be completed and returned by the loan holder/servicer within 10 business days of the date received. This deadline is established in 34 CFR 685.220(f)(1)(i).

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 Department consulted with schools and other members of the financial aid community in developing the original promissory notes and related forms.

On May 29, 2024, a notice was published in the Federal Register (Vol. 89, No. 104, page 46376) inviting public comment on the Direct Loan promissory notes and related forms during the initial 60-day comment period. We received a total of 12 comments from 6 individuals and organizations:

- Three comments were either not relevant to the collection or were requests for modifications to the forms that would require statutory or regulatory changes.
- Two comments expressed support for the Department's decision to combine the Terms and Conditions and Borrower's Rights and Responsibilities into a single section, and to place the instructions immediately before each item to which they apply.
- The remaining comments proposed minor clarifying changes to text. We accepted some of these recommendations and have incorporated the changes into the revised drafts that will be posted for the 30-day public comment period.

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.

The promissory notes and PLUS Endorser Addendum include a Privacy Act Statement that (1) informs the borrower or endorser of the statutory authority for the information collection; (2) explains that disclosure of the information is voluntary, but is required in order to receive a benefit under the Direct Loan Program; 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 forms included with this submission do not require respondents to provide any information that would be considered sensitive.

- 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**

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)

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 7,304,151, calculated as follows:

Subsidized/Unsubsidized MPN Respondents	5,027,286
PLUS MPN and PLUS Endorser Addendum Respondents	1,380,923
Consolidation Application/Promissory Note and related forms respondents	895,942
Total respondents	7,304,151

The Department estimates the total annual number of responses for this information collection to be 9,862,685 calculated as follows:

Subsidized/Unsubsidized MPN Responses	5,027,286
PLUS MPN and PLUS Endorser Addendum Responses	1,380,923
Consolidation Application/Promissory Note and related forms Responses	3,454,476
Total responses	9,862,685

The Department estimates the total annual reporting burden for this collection to be 4,021,665, calculated as follows:

Subsidized/Unsubsidized MPN hour burden	2,513,643
PLUS MPN and PLUS Endorser Addendum hour burden	690,461
Consolidation Application/Promissory Note and related forms hour burden	817,559
Total hour burden	4,021,663

Calculations of the estimates for each of the individual promissory notes and related forms are shown below.

Subsidized/Unsubsidized MPN

The estimated time required to complete the Subsidized/Unsubsidized MPN is 0.5 hours (30 minutes). Based on one response per respondent, this equates to a total estimated annual reporting burden of 2,513,643 hours.

PLUS MPN and PLUS Endorser Addendum

There are an estimated 1,302,427 respondents for the PLUS MPN and 78,496 respondents for the PLUS Endorser Addendum, for a total of 1,380,923 respondents. The estimated time required to complete an MPN or Endorser Addendum is 0.5 hours (30 minutes). Based on one response per respondent, this equates to a total estimated annual reporting burden of 690,461 hours.

Consolidation Application/Promissory Note and Related Forms

The total estimated annual reporting hour burden for this collection is approximately 817,559 hours. This represents the total of the burden estimates for the hour burden for the Note, the LVC, and the Request to Add Loans. We calculated the burden estimate for each form as follows:

Consolidation Application/Promissory Note

Respondents	852,957
Responses	x 1
Hours per response	x 0.5 (30 minutes)
Annual reporting burden	<u>426,479 hours</u>

LVC

For Profit Respondents	279
Responses	2,123,863
Hours per response	x 0.15 (9 minutes)
Annual reporting burden	<u>318,579 hours</u>

Private Respondents	58
Responses	435,008
Hours per response	x 0.15 (9 minutes)
Annual reporting burden	<u>65,251 hours</u>

NOTE: Each Direct Consolidation Loan application averages three different loan holders/servicers. This means that an average of three LVCs will be generated for each Direct Consolidation Loan, for a total of 2,558,871 responses (3 x 852,957 = 2,558,871). There are approximately 337 loan holders/servicers.

Request to Add Loans

Respondents	42,648
	(5% of the # of respondents for the Consolidation Application/Promissory Note)
Responses	x 1
Hours per response	x 0.17 (10 minutes)
Annual reporting burden	<u>7,250 hours</u>

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	7,261,166	7,261,166	0.5 hours	3,630,583	\$22.26	\$80,816,778
Individual	42,648	42,648	0.17 hours	7,250	\$22.26	\$161,385
For-Profit Institutions	279	2,123,863	0.15 hours	318,579	\$48.05	\$15,307,721
Private Institutions	58	435,008	0.15 hours	65,251	\$48.05	\$3,135,311
Public Institutions	N/A	N/A	N/A	N/A	N/A	N/A
Annualized Totals	7,304,151	9,862,685		4,021,663		\$99,421,195

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> .

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 annual capital/startup costs to respondents, nor are there any annual costs to respondents associated with operating or maintaining systems or purchasing services.

- 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 annual cost to the Federal government associated with the paper versions of the promissory notes or PLUS Endorser Addendum, as the Department does not print and distribute the paper versions of the forms. The small number of borrowers who wish to complete the paper versions of the forms may download and print the documents.

It is not possible to provide annualized costs associated with the implementation of the electronic versions of the forms. The terms of the Department's contract with the entity that is responsible for performing this function (and other functions) does not provide for itemization of costs associated with specific functions.

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			-2
Total Responses			
Total Costs (if applicable)			

While the Department is not reporting any decrease in responses, we are noting a slight decrease in respondents and corresponding decrease of 2 hours due to a correction caused by a prior math error.

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.