

The Department of Education (the Department) is requesting a revision of the currently approved OMB information collection 1845-0093, Federal Family Education Loan (FFEL) Program Servicemembers Civil Relief Act (SCRA). The regulations require the FFEL loan holder to match its database against the Department of Defense (DOD) Defense Manpower Data Center (DMDC) or other official DOD database and automatically apply the interest rate limitation, as appropriate, to borrowers under the SCRA.

There has been no change in the statute or in the regulations at 34 CFR 682.208(j). Since the last renewal of this collection, a separate form has been created for borrowers to request the SCRA interest rate limitation if they believe they qualify for the benefit but have not been automatically selected through the holder's use of the DMDC. This request removes the previously included borrower burden from this regulation. The Department is also revising downward the overall collection burden due to the decreasing number of FFEL loan holders and affected loans.

Under §682.208(j)(1), (6), and (7), a FFEL Program loan holder, including a guaranty agency, must match its servicing system, including borrowers, co-borrowers, and endorsers, against the DMDC to determine whether the borrower is eligible to receive an interest rate reduction under the SCRA.

For §682.208(j)(1), (6), and (7), we estimate that it will take each loan holder approximately 3 hours per month to extract applicable data from their servicing systems, format it to conform to the DMDC file layout, perform quality assurance, submit the file to the DMDC, retrieve the result, import it back into their systems, perform quality assurance, and then, to the extent that the borrower or endorser is or was engaged in qualifying military service, apply, extend, or end the SCRA interest rate limitation.

Under §682.208(j)(1), (6), and (7), for proprietary loans holders, we estimate that this regulation will require burden of 11,232 hours per year (312 proprietary loan holders multiplied by 3 hours per month multiplied by 12 months).

	Respondents	Responses	Burden Hours
For-profit loan holders	312 X 12	3,744 X 3 hours	11,232

Under §682.208(j)(8), a FFEL Program loan holder, including a guaranty agency, must refund overpayments created by the application of the SCRA interest rate reduction to a loan that was in the process of being paid-in-full through loan consolidation at the time the interest rate reduction was applied by returning the overpayment to the holder of the consolidation loan. For §682.208(j)(8), we estimate that it will take each loan holder 1 hour per borrower to refund overpayments for borrowers who have consolidated their loans. We further estimate that 0.1 percent of those consolidation loans will create an overpayment that will require a loan holder to issue a refund to the holder of the consolidation loan.

For calendar year 2023, there were a of 411 FFEL borrowers who had the SCRA interest rate benefit for the first time. 1 percent of those borrowers, or 4 borrowers, may have consolidated during the transition to the SCRA interest rate and require a loan holder to issue a refund.

Under §682.208(j)(8), therefore, for proprietary loan holders, we estimate that this regulation will increase burden by 3 hours per year (3 borrowers with loans held by proprietary loan holders).

	Respondents	Responses	Burden Hours
For-profit loan holders	*	3 X 1 hours	3

Under §682.208(j)(9), a FFEL Program loan holder, including a guaranty agency, must refund overpayments created by the application of the SCRA interest rate reduction by returning the overpayment to the borrower.

For §682.208(j)(9), we estimate that it will take each loan holder 1 hour per borrower to refund overpayments for borrowers for whom the application of the SCRA interest rate limit caused their loan to be overpaid. We estimate that 0.05 percent of borrowers who have the SCRA interest rate limit applied for the 2023 calendar year may result in an overpayment.

Under §682.208(j)(9), therefore, for not-for-profit loan holders, we estimate that this regulation will increase burden by 0 hour per year (0 borrowers with loans held by not-for-profit loan holders). For proprietary loan holders, we estimate that this regulation will increase burden by 0 hours per year (0 borrowers with loans held by proprietary loan holders).

	Respondents	Responses	Burden Hours
For-profit loan holders	*	0 X 1 hours	0

* The asterisk is used to avoid double counting the same universe of loan holders.

TOTALS

Responses	3,747
Respondents	312
Burden Hours	11,235