

SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
Third-Party Servicer Data Inquiry Form

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 is seeking a *reinstatement with change* of information collection 1845-0130, covering a Third-Party Servicer Data Inquiry form. This form collects data from servicers contracted by institutions of higher education to administer aspects of Federal Student Financial Aid programs authorized under Title IV of the Higher Education Act (HEA) of 1965, as amended.

The HEA allows institutions of higher education to outsource aspects of their participation in Title IV programs. Any individual or entity that contracts with or performs work on behalf of an institution to administer any aspect of that institution's responsibilities required under the Title IV programs is defined as a third-party servicer. The Title IV regulations authorize the Department to provide oversight of third-party servicers, which are subject to the highest standard of care and diligence in their administration of Title IV programs. (34 CFR 668.2)

When contracting with an institution, a servicer and/or its contractors assume the responsibilities of that institution with respect to its compliance with the various requirements relevant to the Title IV functions it is servicing. A servicer is jointly and severally liable with the institution for any violation of Title IV requirements resulting from the functions it performs. (34 CFR 668.25(c)(3))

The information collected through the Third-Party Servicer Data Inquiry form allows the Department to identify institutions of higher education that are failing to report or incorrectly reporting third-party servicer information; to monitor and enforce third-party servicer compliance with annual audit requirements; to identify other persons or organizations that contract with a third-party servicer to assist with any aspect of the administration of a Title IV program on behalf of the third-party servicer or its clients; and to effectively coordinate third-party servicer program review assessments.

Only minor changes to the Third-Party Servicer Data Inquiry form are being requested. The revisions to the form appear in the following table:

Description	Burden Change
Throughout: Adds instructional text (e.g., “Select all ___ that apply”) above tables where it was missing.	None
General Inquiry section: Collects contact information for software system companies.	Negligible Three new simple fields to be completed
Throughout: Adds display headers (e.g., “Contact Information”) above tables where they were missing.	None
Contact Inquiry section: Re-ordered subsections.	None

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.

Third-party servicers that contract with institutions to administer aspects of their Title IV programs are required to complete the Third-Party Servicer Data Inquiry form. Servicers must submit the form to the Department via Partner Connect, the data collection portal used across Federal Student Aid.

The Department compares the information collected on the Third-Party Servicer Data Inquiry form with the information reported by higher education institutions, then follows up with third-party servicers and higher education institutions to resolve discrepancies and update information as needed. Higher education institutions that fail to report or terminate third-party servicer relationships are notified to update the information to accurately reflect the institution’s relationship with the servicer. The information collected also provides essential data needed to monitor third-party servicer compliance with annual audit requirements, as well as more reliable data for risk analysis and program reviews.

In the past, the Department did not have a mechanism to collect the information needed for effective oversight directly from third-party servicers. The minimal amount of third-party servicer information that was collected from higher education institutions prior to the development of this form was determined to be inaccurate, inconsistent, and limited in scope. Furthermore, some servicers had incorrectly instructed institutions not to report them as a third-party servicer, creating confusion in the community regarding what should or should not be

reported. As a result, the Department was unable to rely on the information reported by higher education institutions to determine servicer compliance with audit requirements or to contact servicers for purposes of scheduling program reviews or responding to inquiries.

Requiring third-party servicers to complete and submit the Third-Party Servicer Data Inquiry form equips the Department with the information necessary to effectively provide oversight. Approval of this data collection tool will continue to allow the Department to request and obtain vital information directly from third-party servicers regardless of whether the servicer has been reported through the notification process utilized by institutions of higher education.

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.

Respondents enter or update information through Partner Connect, the same online data collection system used by higher education institutions to apply for institutional eligibility. The Third-Party Servicer form on Partner Connect includes built-in validations to ensure servicers answer questions in the correct format. Once a form has been submitted, subsequent versions of the form have most questions pre-populated with previously submitted information. This pre-population reduces the burden on servicers, which only need to review and, if necessary, update their information. After completing any updates and electronically signing the form, the information automatically populates in the Department's system, reducing the data entry burden and increasing data accuracy.

The webform has additional features such as:

- Smart logic that skips questions or sections that do not apply to the servicer based on conditional responses provided to questions;
- Alerts that help the servicer avoid missing required questions;
- A status page that allows the institution to monitor the status of the form after submission;
- The ability to attach documentation related to the form with conditional validations in place to ensure the servicer is submitting the required documents.

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.

Servicers are not required to maintain duplicate records. A new servicer will not have provided similar information to any other office in the Department.

As described above in Question 3, hosting the form on Partner Connect means that previously entered data is automatically pre-populated, eliminating the need to enter the same data multiple times. When a servicer makes an update to their form, they need only correct the sections that need to be updated.

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.

As stated earlier, reliance solely on data reported from higher education institutions previously restricted the Department's ability to ensure third-party servicers comply with relevant statutes and regulations. The Department developed this form to validate the information reported by higher education institutions and to resolve discrepancies when one or more entities report incorrect or conflicting information.

Absent this data collection tool, the Department would lack adequate information to ensure compliance with the laws, regulations, and policies that govern Title IV programs. Failure to collect this information would jeopardize the Department's ability to fulfill its fiduciary responsibility of safeguarding taxpayer interests and ensuring all participants in the system of funding postsecondary education serve the interests of students.

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.**

Entities must submit the initial Third-Party Servicer Data Inquiry form within 30 days of receiving notification of the requirement. Consistent with the requirements of higher education institutions pursuant to 34 CFR 668.25(e)(1), third-party servicers are required to submit revised information within 10 days of the date:

- The entity changes its name;
- The entity changes the address or contact information for a primary location or additional location;
- The entity adds or terminates a contract with an eligible Title IV institution; or
- The entity buys, sells, or merges with another third-party servicer.

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 December 29, 2025, a Federal Register Notice was published (90 FR 60692) inviting public comments on this collection. Three comments were received and the Department's response to those comments are attached in a separate document titled *Comment Responses_1845-0130*.

The Department is now requesting and will consider any comments received during 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 gifts or payments will be provided to any 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

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 –

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 Department makes no pledge about the confidentiality of the data.

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 collecting information of a sensitive nature.

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 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.**

Safeguarding Personally Identifiable Information, OM:6-104 – Privacy Act of 1974 (Collection, Use and Protection of Personally Identifiable Information)

- **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 tables below report 2024 totals for Third-Party Servicer Data Inquiry form submissions by type of respondent (For-profit, Non-profit, State agency, Individual) and by purpose (Update, Initial/Merger/Closure). Updates are presented separately given their lower estimated hour burden. Grand totals appear on the bottom line.

Wage estimates are via Bureau of Labor Statistics, U.S. Department of Labor *Occupational Outlook Handbook* figures for “Administrative Services and Facilities Managers”.

Submission Purpose: Update

Type of Respondent	Number of Respondents	Number of Responses	Time/Response (hr)	Total Time (hr)	Estimated Respondent Hourly Wage	Total Annual Costs
For-profit servicer	32	45	0.5	22.5	\$51.39	\$1,156
Non-profit servicer	2	3	0.5	1.5	\$51.39	\$77
State agency	1	1	0.5	0.5	\$51.39	\$26
Individual	3	5	0.5	2.5	\$51.39	\$128
<i>Subtotal</i>	<i>38</i>	<i>54</i>		<i>27</i>	<i>\$51.39</i>	<i>\$1,388</i>

Submission Purpose: Initial (18), Merger (2), Closure (1)

Type of Respondent	Number of Respondents	Number of Responses	Time/Response (hr)	Total Time (hr)	Estimated Respondent Hourly Wage	Total Annual Costs
For-profit servicer	14	14	1	14	\$51.39	\$719
Non-profit servicer	5	5	1	5	\$51.39	\$257
State agency	1	1	1	1	\$51.39	\$51
Individual	1	1	1	1	\$51.39	\$51
<i>Subtotal</i>	<i>21</i>	<i>21</i>		<i>21</i>	<i>\$51.39</i>	<i>\$1,079</i>

Grand total	59	75		48	\$51.39	\$2,467
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We estimate that annually there would be a total of 75 responses and 48 burden hours.

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 additional costs. There are no systems requirements 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.

The data in the tables below mirror that provided under Question 12, but now reflect costs to the government incurred through the review of Data Inquiry Forms by Department of Education staff. The estimated hourly wage is calculated at an average of GS-12 and GS-13 salaries, both at Step 5.

Submission Purpose: Update

Type of Respondent	Number of Responses	Time/Response (hr)	Total Time (hr)	Estimated Government Hourly Wage	Total Annual Costs
For-profit servicer	45	0.25	11.25	\$44.24	\$498
Non-profit servicer	3	0.25	0.75	\$44.24	\$33
State agency	1	0.25	0.25	\$44.24	\$11
Individual	5	0.25	1.25	\$44.24	\$55
<i>Subtotal</i>	<i>54</i>		<i>13.50</i>	<i>\$44.24</i>	<i>\$597</i>

Submission Purpose: Initial (18), Merger (2), Closure (1)

Type of Respondent	Number of Responses	Time/Response (hr)	Total Time (hr)	Estimated Government Hourly Wage	Total Annual Costs
For-profit servicer	14	0.5	7.00	\$44.24	\$310
Non-profit servicer	5	0.5	2.50	\$44.24	\$111
State agency	1	0.5	0.50	\$44.24	\$22
Individual	1	0.5	0.50	\$44.24	\$22
<i>Subtotal</i>	<i>21</i>		<i>10.50</i>	<i>\$44.24</i>	<i>\$465</i>

Grand total	75		24.00	\$44.24	\$1,062
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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.

There have been no program changes that alter the estimated burden hours for the completion or review of the Third-Party Servicer Data Inquiry form. All changes listed below reflect new estimations for number of forms received, burden hours for completion of forms, and wages for third-party servicers.

The lower number of responses apparent in the table below may be explained in part by disruption caused during the transition to Partner Connect, the online data management system where the Third-Party Servicer Data Inquiry form is presently hosted. Transitioning to this new system may have temporarily slowed the flow of data inquiry forms while servicers worked to gain access and familiarize themselves with the new submission process. That said, the response numbers for 2025 are roughly aligned with those from the 2020 submission (N=107), indicating ongoing fluctuations in response rates.

Differences in Cost Calculation from Previous Submission

Submission Year	Number of Responses	Time/Response (hr)	Total Time (hr)	Estimated Respondent Hourly Wage	Total Annual Costs
2022	277	<i>Differs by type</i>	191	\$47.54	\$9,081
2025	75	<i>Differs by type</i>	48	\$51.39	\$2,467
Difference	- 202		- 143	+ \$3.85	- \$6,614

We estimate that annually there would be a total of 75 responses and 48 burden hours. This is a decrease of 202 responses and 143 burden 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 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.