

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION**

Federal Direct Loan Program Regulations for Forbearance and Loan Rehabilitation

- 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 of Education (the Department) is seeking emergency processing, in accordance with 5 C.F.R. § 1320.13, of the revision of OMB control number 1845-0119 Federal Direct Loan Program Regulations for Forbearance and Loan Rehabilitation.

The Working Families Tax Cuts Act (WFTCA) signed into law by President Trump on July 4, 2025 includes provisions that affect this collection; specifically, 34 CFR 685.211 Miscellaneous repayment provisions. The Department published the Final Rule regarding these regulations on May 1, 2026 (91 FR 23768).

Based on comments received from the public on the Notice of Proposed Rulemaking (91 FR 4254), section 685.211 was revised from the proposed regulations. In the final rule, the reasonable and affordable payment to be calculated for a rehabilitation agreement can equal the payment required under an income-driven repayment (IDR) plan. This is a change from the previous language which specifically stated the reasonable and affordable payment to be equal to the minimum income-based repayment (IBR) payment.

Additionally, the Department has revised this collection by establishing an online rehabilitation self-service portal. This new portal will decrease burden on borrowers as they can apply and upload documents online rather than through a manual, phone call and mail-based process. Additional reductions from burden come from the ability for the Department to now use any eligible income-driven repayment plan to establish a borrower's reasonable and affordable payment amount for a rehabilitation agreement. Borrowers will continue to have the option to apply for rehabilitation through the historical, manual process, as well as this new online version.

- 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 uses the information to determine eligibility of a defaulted borrower to meet the regulatory requirements and rehabilitate the defaulted loan. The regulations

provide for requests from a borrower for forbearance by exercising an option to orally acknowledge their DL debt and agree to repay that debt. In addition, under the rehabilitation reasonable and affordable provisions when the amount of the monthly repayment amount is established the borrower may object to that amount and may subsequently have to provide documentation that supports their objection. Additionally, borrowers who have a change in financial circumstances are able to provide documentation that supports their change in financial condition to the Department.

The new online application will require the borrower to upload proof of income with a federal tax transcript, copy of a federal tax return, or by providing alternative documentation of income. Historically, borrowers would be required to print, hand sign, and return the documents to the Department via mail or fax. While the ability to upload documents simplifies the overall process, the borrower may still need to manually input necessary income and family size information into the online application to receive an estimated rehabilitation payment amount. The uploaded documents will be validated within 1 to 10 business days to either confirm the estimated rehabilitation payment is correct or provide a newly calculated rehabilitation payment based on the validated documents.

- 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.**

Under the regulations, these processes would be available via technology and entail the submission of documents that support the objection or changing financial circumstances. The new, online rehabilitation self-service portal option will require the borrower to upload proof of income through a web-based application. The borrower will also authenticate the online rehabilitation application with an electronic signature.

- 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.**

The requirements are minimal and avoid duplication. There is no similar information available that can be used or modified for this purpose at this time.

- 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.**

These Direct Loan regulations provide for added flexibility for borrowers. Without these regulations borrowers have limited access to a statutory benefit.

- 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 continue to be conducted in a manner that is consistent with the guidelines in 5 CFR 1320.6.

- 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.

Regulations that impact this collection were developed in part through the Negotiated Rulemaking process where the public provided its input in consultation with schools, a variety of professional associations, and other interested parties. The Department published a Notice of Proposed Rulemaking in the Federal Register on January 30, 2026 (91 FR 4254) and collected comments on the regulations until March 2, 2026. The Final Rule was subsequently published in the Federal Register (91 FR 23768) on May 1, 2026.

The Department is now updating this collection to comply with the new regulations mentioned above. We are requesting emergency processing and will publish a Notice in the Federal Register. This Federal Register will also open the 60-day comment period to be followed by a 30-day 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 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 Systems of Record Notice for this collection is Common Services for Borrowers (CSB) 88 FR 48449.

- 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.**
 - 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.**

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)

- **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.**

Section 685.205 – Forbearance:

The regulations authorize the Secretary to grant forbearance to a borrower or endorser who is in default on a loan based on the borrower's or endorser's oral request prior to the loan being transferred to collections. The regulations provide that a forbearance agreement in this situation must include a new agreement to repay the debt signed by the borrower or endorser (as required under the current regulations), or a written or oral affirmation of the borrower's or endorser's obligation to repay the debt.

The regulations also specify that if a forbearance in this situation is based on the borrower's or endorser's oral request and affirmation, the Secretary must orally review with the borrower the terms and conditions of the forbearance, and that the Secretary must send the borrower or endorser a notice that confirms the terms of the forbearance and the borrower's or endorser's affirmation of the obligation to repay the debt within 30 days of that agreement. The regulations require the Secretary to retain a record of the terms and conditions of the forbearance and affirmation in the borrower's or endorser's file.

On average, we estimate that it would take a borrower 0.17 hours (10 minutes) per oral acknowledgment to listen to the list of terms and conditions of the forbearance as they are reviewed with the borrower. The Department anticipates 30,000 borrowers will request forbearance.

30,000 x 0.17 hours = 5,100 burden hours

Section 685.211(f)(1) – Rehabilitation of defaulted loans.

The regulations require the Secretary to first offer a reasonable and affordable loan rehabilitation payment amount on a defaulted loan as determined using any income-driven repayment (IDR) formula that the borrower would qualify for were it not for the loan being in default.

The collection has been simplified with an online portal and the Department believes this will greatly increase the number of borrowers in default applying for rehabilitation while decreasing the burden on borrowers to apply. However, we do not believe the most recently calculated burden numbers were an accurate picture of the time associated with completing all the requirements for the old process. As a result, apparent increases in burden are not indicative of the burden reduction the online portal actually provides.

We estimate that on average each borrower will take 1 hour to gather, copy and submit the required documentation to support the information initially provided to complete the IDR calculation.

As of April 2026, there are a total of 9,447,262 borrowers in default. Of those borrowers 8,477,888 are eligible for loan rehabilitation. The Department estimates that 7.5% of borrowers who are eligible will seek rehabilitation annually. This amounts to 635,841 respondents.

$635,841 \times 1 \text{ hour} = 635,841 \text{ burden hours}$

Section 685.211(f)(3) – Rehabilitation of defaulted loans.

The regulations specifying that if the borrower objects to the amount calculated under the IDR formula, a second loan rehabilitation payment amount is determined solely on the information provided on the Financial Disclosure for Reasonable and Affordable Payments form (OMB Control #1845-0120).

We estimate that each objection will entail a phone conversation or e-mail that would span on average .5 hours (30 minutes) to raise an objection to the initially calculated rehabilitation payment amount and request recalculation based on documentation provided on the Financial Disclosure for Reasonable and Affordable Payments form (OMB Control #1845-0120). We anticipate 30% of applicants (190,752) will object to their payment.

$190,752 \text{ borrowers} \times .5 \text{ hours} = 95,376 \text{ burden hours}$

Section 685.211(f)(3) & §685.211(f)(6) - Rehabilitation of defaulted loans.

§685.211(f)(3) requires the Secretary to recalculate the borrower's monthly rehabilitation payment if the borrower rejects the amount calculated based on the applicable IDR plan. The borrower may be required to submit supporting documentation of the borrower's income and expenses.

Of the 190,752 borrowers who object to the payment amount, the Department believes that half will submit additional supporting documentation.

We estimate that on average each borrower would take 1 hour to gather and submit the required documentation to validate their income and expenses.

69,500 borrowers x 1 hour = 69,500 hours

§685.211(f)(6) requires the Secretary to, upon request of a borrower, adjust the borrower's monthly rehabilitation payment due to a change in the borrower's financial circumstances. The borrower is required to provide documentation supporting the request.

We estimate that on average each borrower would take 1 hour to gather and submit the required documentation of change in their financial circumstances. The Department estimates that 30% of applicants (190,752) will request a change in circumstance each year.

190,752 x 1 hour = 190,752

| Section | Responses | Burden Hours | Total Burden |
|--|------------------|-------------------|------------------|
| 685.205 Forbearance | 30,000 | 0.17 hours | 5,100 |
| 685.211(f)(1) Rehabilitation of defaulted loans | 635,841 | 1 hour | 635,841 |
| Section 685.211(f) (3) Rehabilitation of defaulted loans | 190,752 | .5 hours | 95,376 |
| Section 685.211(f) (6) Rehabilitation of defaulted loans | 190,752 | 1 hour | 190,752 |
| 685.211(f)(6) | 190,752 | 1 hour | 190,752 |
| | | | |
| Total | 1,238,097 | 3.67 hours | 4,543,816 |

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 | 665,841 | 1,238,097 | 3.67 | 4,543,816 | \$24.51 | \$111,368,930 |
| Annualized Totals | 665,841 | 1,238,097 | 3.67 | 4,543,816 | \$24.51 | \$111,368,930 |

For estimated respondent average hourly wage we used the median wage for all occupations. According to the U.S. Bureau of Labor Statistics this was \$24.51 in 2025.

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, 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 are no additional costs 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 | | | + 4,508,722 |
| Total Responses | | | + 1,109,070 |
| Total Costs (if applicable) | | | |

The Department is requesting a revision of the current collection. The currently approved form has 129,027 responses and 35,094 burden hours. We are now

requesting 4,543,816 burden hours and 1,238,097 responses. This is an increase of 4,508,722 burden hours and 1,109,070 responses.

Due to the collection being simplified with an online portal, the Department believes this will greatly increase the number of borrowers in default applying for rehabilitation and will reduce the amount of time it takes a borrower to complete the process. The increase in burden shown above can mostly be attributed to the increased number of individuals responding to the collection. Although the process has become substantially faster and less burdensome, the estimate of the increase in burden is not directly comparable to the currently approved burden hours. We believe the currently approved collection had significantly underestimated the time required to complete the requirements of the collection.

- 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 of information 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.