

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
William D. Ford Federal Direct Loan Program – 150% Limitation**

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a hard copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information, or you may provide a valid URL link or paste the applicable section¹. 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, make note of the sections or changed sections, if applicable.

On July 6, 2012, the President signed the Moving Ahead for Progress in the 21st Century Act (MAP-21) into law. MAP-21 included two changes to the William D. Ford Federal Direct Loan (Direct Loan) Program. Specifically, MAP-21 amended section 455 of the Higher Education Act of 1954, as amended (HEA) to extend the 3.4 percent fixed interest rate that applies to Direct Subsidized Loans made to undergraduate students to loans for which the first disbursement is made before July 1, 2013. Second, the law placed a limit on Direct Subsidized Loan eligibility for new borrowers on or after July 1, 2013. Specifically, a new borrower on or after July 1, 2013 is no longer eligible to receive additional Direct Subsidized Loans if the period during which the borrower has received such loans exceeds 150 percent of the published length of the borrower's educational program. Additionally, the borrower becomes responsible for accruing interest on any Direct Subsidized Loan made to the borrower on or after July 1, 2013 if he or she is enrolled after reaching this 150 percent limit.

The Department of Education (the Department) is requesting an extension of the current information collection. The regulations contain information collection requirements of borrowers and institutions. No changes have been made to the regulations or the collection since it was approved.

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 use the additional information reported to the COD System to determine whether the borrower has remaining eligibility for Direct Subsidized Loans under the regulations at §685.200(f). Similarly, the Department will use the additional information reported to NSLDS to determine whether the borrower will become responsible for accruing interest on previously received Direct Subsidized Loans.

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. Also describe any consideration given to using technology to reduce burden.

All information being collected as part of this collection is only submitted by institutions electronically, and in a highly automated format.

¹ Please limit pasted text to no longer than 3 paragraphs.

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.

Though institutions will be required to report similar information to different systems as a result of this collection, the information, itself, is not duplicative. The information that will be reported to the COD System will be true as of the time the Direct Loan is disbursed. The information that will be reported to NSLDS will be true as of the time that the institution reports on the student's enrollment.

This information is not available from other sources.

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.

The impact to small businesses by this collection is minimal as the institutions are reporting to Departmental systems with which they are familiar and there is no cost for access.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If the information was not collected or was not collected on an as-frequent basis, the Department would be unable to administer the Direct Loan Program in a manner that complies with the statutory provisions created by MAP-21.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
 - requiring respondents to report information to the agency more often than quarterly;
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - requiring respondents to submit more than an original and two copies of any document;
 - requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
 - in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;
 - requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
 - that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or that unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
 - requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This requirement is consistent with the guidelines in 5 CFR 1302.5(d)(2).

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. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

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 30 day Federal Register notice seeking public comment on these burden assessments was published February 24, 2017, Vol.82, Page 11564. This updated Supporting Statement follows the conclusion of the 30 day public comment period. During this public comment period it was brought to the attention of the Department that the incorrect number of required reporting to the Department was used to calculate the burden estimate. In our review we recognized the accuracy of this comment and have updated the burden assessment below accordingly. Additionally, other comments were made regarding this collection and responses to those comments are available in the separate file attached to this collection. As previously noted, the 60 day notice requesting public comment was published in the Federal Register on December 2, 2016, Vol.81, Page 87026. One public comment that was received is outside the scope of the burden calculations. The second public comment that was received (from an anonymous source) asked that the limitation and interest liability not be enacted as it may present hardship to individuals who rely on the student loan program. The 150% limitation and change in interest subsidy rules is not a new statute. Any changes to the regulations would require a change in the law and the Department does not have that authority.

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.² 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.

² 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)

These requirements do not cover any confidential information.

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 of the collection of information. The statement should:
 - 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, and an explanation of how the burden was estimated, including identification of burden type: recordkeeping, reporting or third party disclosure. All narrative should be included in item 12. 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 the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.
 - If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in the ROCIS IC Burden Analysis Table. (The table should at minimum include Respondent types, IC activity, Respondent and Responses, Hours/Response, and Total Hours)
 - Provide estimates of annualized cost to respondents of the hour burdens for collections of information, identifying and using appropriate wage rate categories. 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.

***Annual Hour Burden for Respondents/Recordkeepers
Section 685.301(c)--Reporting to the Secretary.***

Section 685.301(c) provides that institutions originating and disbursing loans under the Direct Loan Program must report a student's "payment data" to the Secretary. The term "payment data" is defined in 34 CFR 685.102(b) to mean "an electronic record that is provided to the Secretary by an institution showing student disbursement information". The Department has implemented this provision by requiring that institutions electronically report student and Direct Loan information to the COD System. The regulation in §685.200(f) provides that a borrower is not eligible to receive an additional Direct Subsidized Loan if the sum of the borrower's subsidized usage periods equals or exceeds the borrower's maximum eligibility period. The regulation also provides different rules for borrowers who are enrolled in teacher certification programs for which the institution awards no academic credential, preparatory coursework necessary for enrollment in an undergraduate program, and preparatory coursework necessary for enrollment in a graduate or professional program.

The Department will determine whether the borrower has continued eligibility for Direct Subsidized Loans. To ensure that the Department has the information necessary to make that determination, institutions will be required to report additional information to the Department's COD System. For

example, institutions will be required to report: the program’s Classification of Instructional Programs (CIP) Code; the credential level of each program; the length of the program for which the loan is intended; the enrollment status of the borrower at the time the loan is disbursed; whether a loan is for a teacher certification program for which the institution awards no academic credential; whether a loan is for preparatory coursework necessary for enrollment in an undergraduate program; and whether the loan is for preparatory coursework necessary for enrollment in a graduate or professional program.

These data will allow the Department to calculate the borrower’s maximum eligibility period, subsidized usage period, and remaining eligibility period as described in §685.200(f)(1)(ii)-(f)(1)(iv), determine whether the borrower is eligible to receive an additional Direct Subsidized Loan, and ensure that borrowers do not receive Direct Subsidized Loans if they are no longer eligible to receive a Direct Subsidized Loan under §685.200(f)(2).

To estimate the total increase in burden imposed on institutions of higher education, the Department estimated the average number of reports that each institution submitted to COD each business day (by institutional type, i.e., public, private, proprietary). We based our calculations of estimated burdens on a 248 business-day year (365 days, less 104 weekend days and 13 Federal holidays) and that institutions submit data in large batches, not separately, for each individual borrower. We estimate that the additional reporting will add 1 minute (0.02 hours) of additional burden per report.

Of the 5,421 institutions that disbursed Direct Loans during the most recently completed award year, 1,812 of them are public institutions. The average number of reports per day that public institutions submit is 2.73. We further estimate that additional reporting will add 24,536 hours (1,812 institutions multiplied by 248 business days, multiplied by 2.73 reports per day, multiplied by 0.02 hours per report).

Of the 5,421 institutions that disbursed Direct Loans during the most recently completed award year, 1,680 of them are private, not-for-profit institutions. The average number of reports per day that private, not-for-profit institutions submit is 1.29. We estimate that additional reporting will add 10,749 hours (1,680 institutions multiplied by 248 business days, multiplied by 1.29 reports per day, multiplied by 0.02 hours per report).

Of the 5,421 institutions that disbursed Direct Loans during the most recently completed award year, 1,929 of them are proprietary institutions. The average number of reports per day that proprietary institutions submit is 0.84. We further estimate that additional reporting will add 8,037 hours (1,929 institutions multiplied by 248 business days, multiplied by 0.84 reports per day, multiplied by 0.02 hours per report).

Collectively, as a result of the reporting requirements created for public, private and proprietary institutions, the total burden associated with §685.301(c), under 1845-0116, will decrease from the current burden calculation to 43,322 hours (24,536 hours for public institutions + 10,749 hours for private, not-for-profit institutions + 8,037 hours for proprietary institutions).

34 CFR 685.301(c) – Reporting to the Secretary

Private Sector

Business or other for-profits

Proprietary institutions - additional reporting to the COD System

34 CFR 685.301(c) * 401,849 0.02 8,037

Not-for profits

Not-for-profit institutions - additional reporting to the COD System

34 CFR 685.301(c) * 537,466 0.02 10,749

State, Local, or Tribal Governments			
<i>Public institutions - additional reporting to the COD System</i>	<i>34 CFR 685.301(c)</i>	*	1,226,79
			6 0.02 24,536
<i>TOTAL 34 CFR 685.301(e)</i>		*	2,166,11
			1 43,322
<i>Prior TOTAL 34 CFR 685.301(e)</i>			2,319,38
			5,847 3 46,388
<i>Difference</i>			-5,847 -153,272 -3,066

*-The asterisk is used to avoid double counting the same respondent identified in section 685.309.

Section 685.309(b)--Enrollment reporting process.

Section 685.309(b) provides that eligible institutions that enroll a Direct Loan borrower must report information about the borrower's enrollment to the Secretary. The Department has implemented these provisions by requiring institutions to electronically report, not less frequently than every other month, student and loan information to NSLDS. The Direct Subsidized Loan regulations in §685.200(f)(3) provide that a borrower becomes responsible for accruing interest on any Direct Subsidized Loans he or she previously received if, after the borrower meets or exceeds his or her maximum eligibility period, the borrower enrolls in an undergraduate program of equal or shorter duration than the program on which their maximum eligibility period was previously based. The regulations also provide specific rules for borrowers who are enrolled in teacher certification programs for which the institution awards no academic credential, preparatory coursework necessary for enrollment in a graduate or professional program, and programs for which borrowers are not otherwise eligible for Direct Subsidized Loans .

The Department will determine whether the borrower is responsible for accruing interest on their previously received Direct Subsidized Loans. To ensure that the Department has the information to necessary to make that determination, institutions will be required to report additional information to NSLDS. For example, institutions will be required to report: the CIP code and the credential level for the program in which a borrower is enrolled; the length of the program in academic years, weeks, or months (consistent with current institutional reporting in the COD System); and a more detailed enrollment status of the borrower (e.g., full-time, three-quarter-time, half-time, or less-than-half-time).

These data will allow the Department to determine whether a borrower who is not eligible for additional Direct Subsidized Loans is responsible for accruing interest on his or her previously received Direct Subsidized Loans.

To estimate the total increase in burden imposed on institutions of higher education due to the reporting requirements under §685.309(b), we divided institutions into two groups--institutions that use enrollment servicers, which are more automated and take less time to report enrollment to the Department, and institutions that do not use enrollment servicers and therefore take longer to report enrollment to the Department. We assumed that each institution that reports enrollment does so every other month (as minimally required). We estimate that the additional reporting will, for institutions using an enrollment servicer, add 0.25 hours of burden per report. For institutions that do not use an enrollment servicer, we estimate that the additional reporting will add 0.5 hours of additional burden per report.

Of the 6,031 institutions that reported enrollment information during the most recently completed award year, 2,188 of them are public institutions. Of the 2,188 public institutions, we estimate 1,685 use enrollment servicers. For the 1,685 public institutions that use enrollment servicers, we estimate that additional reporting will add 2,528 hours (1,685 institutions multiplied by 0.25 additional hours per report, multiplied by 6 reports per year).

Of the 6,031 institutions that reported enrollment information during the most recently completed award year, 1,813 of them are private, not-for-profit institutions. Of the 1,813 private, not-for-profit institutions, we estimate 1,396 use enrollment servicers. For the 1,396 private, not-for-profit institutions that use enrollment servicers, we estimate that additional reporting will add 2,094 hours (1,396 institutions multiplied by 0.25 additional hours per report, multiplied by 6 reports per year).

Of the 6,031 institutions that reported enrollment information during the most recently completed award year, 2,030 of them are proprietary institutions. Of the 2,030 proprietary institutions, we estimate 1,563 use enrollment servicers. For the 1,563 proprietary institutions that use enrollment servicers, we

estimate that additional reporting will add 2,345 hours (1,563 institutions multiplied by 0.25 additional hours per report, multiplied by 6 reports per year).

Of the 6,031 institutions that reported enrollment information during the most recently completed award year, 2,188 of them are public institutions. Of the 2,188 institutions, we estimate 503 of them do not use enrollment servicers. For the 503 public institutions that do not use enrollment servicers, we estimate that additional reporting will add 1,509 hours (503 institutions multiplied by 0.5 additional hours per report, multiplied by 6 reports per year).

Of the 6,031 institutions that reported enrollment information during the most recently completed award year, 1,813 of them are private, not-for-profit institutions. Of the 1,813 private, not-for-profit institutions, we estimate 417 of them do not use enrollment servicers. For the 417 private, not-for-profit institutions that do not use enrollment servicers, we estimate that additional reporting will add 1,251 hours (417 institutions multiplied by 0.5 additional hours per report, multiplied by 6 reports per year).

Of the 6,031 institutions that reported enrollment information during the most recently completed award year, 2,030 of them are proprietary institutions. Of the 2,030 proprietary institutions, we estimate 467 of them do not use enrollment servicers. For the 467 proprietary institutions that do not use enrollment servicers, we estimate that additional reporting will add 1,401 hours (467 institutions multiplied by 0.5 additional hours per report, multiplied by 6 reports per year).

Collectively, as a result of the reporting requirements, the total burden associated with §685.309(b), under 1845-0116, will increase from the current burden calculation to 11,128 hours (2,528 hours for public institutions using enrollment servicers + 2,094 hours for private, not-for-profit institutions using enrollment servicers + 2,345 hours for proprietary institutions using enrollment servicers + 1,509 hours for public institutions not using enrollment servicers + 1,251 hours for private, not-for-profit institutions not using enrollment servicers + 1,401 hours for proprietary institutions that do not use enrollment servicers).

34 CFR 685.309(b)

Individuals

Private Sector

Business or other for-profits

<i>Proprietary institutions - additional reporting to NSLDS - institution uses enrollment servicer</i>	34 CFR 685.309(b)	1,563	9,378	0.25	2,345
<i>Proprietary institutions - additional reporting to NSLDS - institution does not use enrollment servicer</i>	34 CFR 685.309(b)	467	2,802	0.50	1,401
Not-for profits					
<i>Not-for-profit institutions - additional reporting to NSLDS - institution uses enrollment servicer</i>	34 CFR 685.309(b)	1,396	8,376	0.25	2,094
<i>Not-for-profit institutions - additional reporting to NSLDS - institution does not use enrollment servicer</i>	34 CFR 685.309(b)	417	2,502	0.50	1,251

State, Local, or Tribal Governments					
Public institutions - additional reporting to NSLDS - institution uses enrollment servicer	34 CFR 685.309(b)	1,685	10,11 0	0.25	2,528
Public institutions - additional reporting to NSLDS - institution does not use enrollment servicer	34 CFR 685.309(b)	503	3,018	0.50	1,509
TOTAL 34 CFR 685.309(b)			36,18 6		11,128
Prior TOTAL 34 CFR 685.309(b)			16,39 2		5,032
Difference		-2,165	19,794		6,096

Section 685.304 –Counseling borrowers

The regulations implement the statutory requirement that significantly limits a borrower’s eligibility for Direct Subsidized Loans and potentially results in the borrower becoming responsible for accruing interest on existing Direct Subsidized Loans. Under section 485(l) of the HEA, which requires that borrowers be provided with entrance and exit counseling on the provisions governing federal student aid, institutions will be required to revise the entrance and exit counseling provided to borrowers.

Entrance counseling under §685.304(a)(6)(xiii) will require institutions to explain: (1) the limitation on eligibility for Direct Subsidized Loans and the possibility that the borrower will become responsible for accruing interest, as described in §685.200(f); (2) the possible loss of eligibility for additional Direct Subsidized Loans;(3) how a borrower’s maximum and remaining eligibility periods and subsidized usage period are determined; (4) the possible borrower responsibility for accruing interest on previously received Direct Subsidized Loans; (5) the borrower’s responsibility for payment of all accruing interest on Direct Subsidized Loans during in-school, grace, and periods of authorized deferment; (6) and the impact of borrower responsibility for accruing interest on the borrower’s total debt.

Exit counseling under §685.304(b)(4)(xii) will require institutions to explain:(1) how maximum and remaining periods of eligibility and subsidized usage periods are determined under §685.200(f); (2) the sum of the borrower’s subsidized usage periods, as determined under §685.200(f)(1)(iii) following enrollment in or completion of the borrower’s most recent educational program; (3) the consequences of continued borrowing or enrollment, including the possible loss of eligibility for additional Direct Subsidized Loans and the possibility that the borrower could become responsible for accruing interest on previously received Direct Subsidized Loans and the portion of a Direct Consolidation Loan that repaid a Direct Subsidized Loan, even during in-school periods, grace periods and periods of deferment, as described in §685.200(f); (4) the impact of the borrower becoming responsible for accruing interest on total student debt; (5) that the Secretary will inform the student borrower of whether he or she has become responsible for accruing interest on his or her Direct Subsidized Loans; (6) and that the borrower can access NSLDS to determine whether the borrower has become responsible for accruing interest on his or her Direct Subsidized Loans, as provided in §685.200(f)(3).

The burden associated with entrance and exit counseling is two-fold, there is burden on borrowers, who are required to complete entrance counseling by virtue of their participation in the Title IV loan programs and there is burden on institutions, which are required to provide counseling to such borrowers.

We estimate that each entrance counseling interview will take 2 additional minutes (0.03 hours) per borrower to complete and estimated that number of borrowers who took entrance counseling in the last award year as 2,723,751. Therefore, we estimate that burden will increase by 81,713 hours (2,723,751 borrowers multiplied by 1 interview per borrower multiplied by 0.03 additional hours per interview).

We estimate that, for all institutions, the additional entrance counseling requirements will add 1 hour of burden per institution to incorporate material into their counseling and implement counseling procedures. Of the 5,21 institutions that are required to perform entrance counseling, 1,812 are public institutions, 1,680 are private, not-for-profit institutions, and 1,929 are proprietary institutions. For the 1,812 public institutions, we estimate that burden will increase by 1,812 hours (1,812 institutions multiplied by 1 hour). For the 1,680 private, not-for-profit institutions, we estimate that burden will increase by 1,680 hours (1,680 institutions multiplied by 1 hour). Of the 1,929 proprietary institutions, we estimate that burden will increase by 1,929 hours (1,929 institutions multiplied by 1 hour). Collectively, we estimate that the total burden created for institutions of higher education to provide the added entrance counseling is 5,421 hours (1,812 hours + 1,680 hours + 1,929 hours).

We estimate that each exit counseling interview will take an additional 3 minutes (0.05 hours) per borrower to complete and estimated the 2,699,275 borrowers took exit counseling in the most recently completed award year. Therefore, we estimate that burden will increase by 134,964 hours (2,699,275 borrowers multiplied by 1 interview per borrower multiplied by 0.05 additional hours per interview).

Of the 5,421 institutions, 1,812 are public institutions, 1,680 are private, not-for-profit institutions, and 1,929 are proprietary institutions. We estimate that, for all institutions, the additional exit counseling requirements will add 1.5 hours of burden per institution to incorporate material into their counseling and implement counseling procedures. For the 1,812 public institutions, we estimate that burden will increase by 2,718 hours (1,812 institutions multiplied by 1.5 hours). For the 1,680 private, not-for-profit institutions, we estimate that burden will increase by 2,520 hours (1,680 institutions multiplied by 1.5 hours). Of the 1,929 proprietary institutions, we estimate that burden will increase by 2,894 hours (1,929 institutions multiplied by 1.5 hours). The total burden created for institutions of higher education to provide the added exit counseling is 8,132 hours (2,718 hours + 2,520 hours + 2,894 hours).

Collectively, under 1845-0116 the entrance and exit counseling regulatory requirements in section 685.304, will add 230,230 hours ([81,713 + 134,964 for borrowers] + [5,421 + 8,132 hours for institutions]) of additional burden on institutions and borrowers.

34 CFR 685.304(a)(6)(xii)

Individuals

Students receiving entrance counseling	34 CFR 685.304(a)(6)(xii)	2,723,751	2,723,751	0.03	81,713
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Private Sector

Business or other for-profits

Proprietary institutions - provide entrance counseling to students	34 CFR 685.304(a)(6)(xii)	*	1,929	1.00	1,929
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Not-for profits

Not-for-profit institutions - provide entrance counseling to students	34 CFR 685.304(a)(6)(xii)	*	1,680	1.00	1,680
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State, Local, or Tribal Governments

Public institutions - provide entrance counseling to students	34 CFR 685.304(a)(6)(xii)	*	1,812	1.00	1,812
Sub Total 34 CFR 685.304(a)(6)(xii)			2,723,751	2,729,172	87,134
Prior Sub Total 34 CFR 685.304(a)(6)(xii)			2,729,598	2,729,598	87,560
Difference			-5,847	-426	-426

34 CFR 685.304(b)(6)(xii)
Individuals

Students receiving exit counseling	34 CFR 685.304(b)(4)(xii)		2,699,275	2,699,275	0.05 134,964
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Private Sector

Business or other for-profits

Proprietary institutions - provide exit counseling to students	34 CFR 685.304(b)(4)(xii)	*	1,929	1.50	2,894
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Not-for profits

Not-for-profit institutions - provide exit counseling to students	34 CFR 685.304(b)(4)(xii)	*	1,680	1.50	2,520
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State, Local, or Tribal Governments

Public institutions - provide exit counseling to students	34 CFR 685.304(b)(4)(xii)	*	1,812	1.50	2,718
Sub Total 34 CFR 685.304(b)(6)(xii)			2,699,275	2,704,696	143,096

Prior Sub Total 34 CFR 685.304(b)(6)(xii)			2,705,122	2,705,122	143,734
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Section Difference			-5,847	-426	-638
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*-The asterisk is used to avoid double counting the same respondent identified in section 685.309.

NEW Totals for 1845-0116			5,429,057	7,636,165	284,680
Prior Totals for 1845-0116			5,448,763	7,770,494	282,713
Difference			-19,706	-134,3293	1,967

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 is no new system start-up costs associated with these proposed regulations.

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 as a result of these regulations.

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).

Reasons for Changes to Burden Hour Estimated

This collection extension is an adjustment in burden based on the increase of 1,967 burden hours. While there has been a decrease in the number of participating institutions, we are showing a correction to the calculation of burden based the requirement to report to the Department at least 6 times a year instead of the previously calculated 2 times per year. This correction is the cause of the slight increase in burden.

The burden hours calculated below include time for reviewing the change in regulations; for determining the method and means to incorporate changes; develop or update systems and forms and formats for gathering the required information; and to prepare the required reports.

CURRENT INVENTORY			
Current # of Respondents	5,448,763		
Current # of Responses		7,770,495	
Current Inventory of Hours			282,713
REVISED # OF RESPONDENTS	5,429,057		
REVISED # OF RESPONSES		7,636,165	
REVISED # OF BURDEN HOURS			284,680
Difference	-19,706	-134,329	1,967

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 the 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. The OMB control number and expiration date will be announced in the Federal Register upon OMB approval and will also be displayed on the Electronic Application for Approval to Participate in Federal Student Financial Aid Programs.

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 of Paperwork Reduction Act Submissions”.