

The Department is requesting a new information collection to reflect the changes to the adverse credit history regulations in 34 CFR §685.200 (b) and (c) and the burden these changes would create for Federal PLUS loan borrowers, both parent and graduate/professional students.

Specifically, the final regulations require an applicant for a PLUS loan who is determined to have an adverse credit history but who documents to the Secretary of Education's satisfaction that extenuating circumstances exist or who obtains a creditworthy endorser must also complete loan counseling offered by the Secretary before receiving the Federal PLUS loan.

We estimate that during the period between March 23, 2013 and February 26, 2014 there were 785,734 PLUS loan denials. Of those denials our records indicate that 147,400 PLUS loans were approved an extenuating circumstance document review and 63,126 PLUS loans were approved after the borrower obtained a creditworthy endorser for a total of 210,526 approved appeals.

We estimate that each borrower's (parent or graduate/professional student) submission of documentation for the Secretary's consideration of extenuating circumstances or efforts to obtain a creditworthy endorser would take, on average, 1 hour per submission for a total of 210,526 hours of burden under OMB Control Number 1845-0129 (210,526 PLUS loan appeals submitted times 1 hour = 210,526 hours).

Our records indicate that between March 23 2013 and February 26, 2014 there were 43,186 graduate/professional PLUS loans initially denied but subsequently approved through the extenuating circumstances review. Since all first time graduate/professional PLUS borrowers are currently required to undergo loan entrance counseling, we estimate that the addition to the current counseling requirements to include the enhance PLUS counseling component as a part of the review process would, on average, increase loan counseling by .50 hours (30 minutes) for each affected graduate/professional PLUS loan applicant for a total of 21,594 hours of burden under OMB Control Number 1845-0129.

Institution type	# of approved extenuating circumstance reviews	Multiplied by burden by hour	Total burden
For Profit	7,607	.50	3,804
Not-for-Profit	21,424	.50	10,712
Public	12,650	.50	6,325
Foreign	1,505	.50	753
TOTAL	43,186		21,594

Our records indicate that between March 23 2013 and February 26, 2014 there were 22,321 graduate/professional PLUS loans initially denied but subsequently approved by the borrower obtaining a creditworthy endorser. Since all first time graduate/professional PLUS borrowers are currently required to undergo loan entrance counseling, we estimate that the addition to the current counseling requirements to include the enhanced PLUS counseling component as a part of the review process would, on average, increase loan counseling by .50 hours (30 minutes) for each affected graduate/professional PLUS loan applicant for a total of 11,162 hours of burden under OMB Control Number 1845-01291.

Institution type	# of loans approved with endorsers	Multiplied by burden by hour	Total burden
For Profit	3,377	.50	1,689
Not-for-Profit	12,170	.50	6,085
Public	5,853	.50	2,927
Foreign	921	.50	461
TOTAL	22,321		11,162

Our records indicate that between March 23 2013 and February 26, 2014 there were 104,214 parent PLUS loans initially denied but subsequently approved through the extenuating circumstances review. There is currently no required counseling for parent PLUS borrowers. We estimate that the burden for the parents taking the enhanced PLUS loan counseling would be more extensive under this new regulatory requirement. We estimate on average that it would take each parent PLUS borrower .75 hours (45 minutes) to complete the enhanced loan counseling component to complete the extenuating circumstances review process for a total of 78,161 hours of burden under OMB Control Number 1845-0129.

Institution type	# of approved extenuating circumstance reviews	Multiplied by burden by hour	Total burden
For Profit	7,612	.75	5,709
Not-for-Profit	38,707	.75	29,030
Public	57,706	.75	43,280
Foreign	189	.75	142
TOTAL	104,214		78,161

Our records indicate that between March 23 2013 and February 26, 2014 there were 40,805 parent PLUS loans initially denied but subsequently approved by obtaining a creditworthy endorser. There is currently no counseling for parent PLUS borrowers. We estimate that the burden for the parents taking the enhanced PLUS loan counseling would be more extensive under this new regulatory requirement. We estimate on average that it would take each parent PLUS borrower .75 hours (45 minutes) to complete the loan counseling component of the review process for a total of 30,604 hours of burden under OMB Control Number 1845-0129.

Institution type	# of loans approved	Multiplied by burden	Total burden
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	with endorsers	by hour	
For Profit	2,868	.75	2,151
Not-for-Profit	17,485	.75	13,114
Public	20,333	.75	15,250
Foreign	119	.75	89
TOTAL	40,805		30,604

Overall, burden would increase by 352,047 hours under Control Number 1845-0129.

TOTALS

Responses 421,052
Respondents 210,526
Burden Hours 352,047