

The Department of Education (the Department) proposes to amend the Student Assistance General Provisions regulations issued under the Higher Education Act of 1965, as amended (HEA), to implement changes made to the Student Assistance General Provisions regulations – Subpart D – Institutional and Financial Assistance Information for §668.41 - Reporting and disclosure of information. These proposed regulations are a result of negotiated rulemaking and would add new requirements to the current regulations.

These proposed regulations require that institutions that use pre-dispute arbitration agreements or class action waivers as a condition of enrollment disclose that information to students, prospective students, and the public in an easily accessible format.

Section §668.41 -- Reporting and disclosure of information.

Under proposed §668.41(h) would require institutions that use pre-dispute arbitration agreements or class action waivers as a condition of enrollment to disclose that information in writing in an easily accessible format on its website where admissions and tuition and fees information is made available to students, prospective students, and the public. The Department is proposing this regulatory change to promote greater transparency by institutions and to allow borrowers the opportunity to make an informed choice as to whether to enroll or continue enrollment in such institutions.

Of the 1,888 proprietary institutions participating in the title IV, HEA programs, we estimate that 50 percent or 944 institutions would use a pre-dispute arbitration agreement and/or class action waiver and would provide the required information electronically.

We estimate that it will take institutional staff an average of 5 hours to develop, program and post the required information to the web sites where admission and tuition and fees information is made available. We are estimating a total of 4,720 hours of burden for institutional activities under the proposed changes to §668.41(h).

TOTALS

Responses	944
Respondents	944
Burden Hours	4,720

We estimate the cost to institutional respondents, based on \$44.41 per burden hour, would be \$209,615 for Proprietary Institutions (4,720 x \$44.41 = 209,615).