

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
Federal Perkins Loan Program Regulations**

- 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.**

This is a request for an extension without change of the current Office of Management and Budget (OMB) approval of the reporting and recordkeeping requirements contained in 34 CFR sections 674.39, 674.41, 674.42, 674.43, 674.45, 674.47, 674.48, and 674.49 under the control number 1845-0023.

The One Big Beautiful Bill Act (OBBBA) signed into law on July 4, 2025, includes provisions that affect this collection; specifically, [34 CFR 674.39](#) Loan Rehabilitation. The Department published a Notice of Proposed Rulemaking on January 30, 2026 (91 FR 4254) and this notice captures burden changes for this requirement. That burden is assigned to 1845-0021 and available for public comment until March 2, 2026.

The information collections in these regulations are necessary to determine Federal Perkins Loan Program borrower eligibility to receive program benefits and to prevent fraud and abuse of program funds.

Section 674.39 – Loan rehabilitation.

This section establishes that participating institutions are required to have a loan rehabilitation program for the purposes of rehabilitating defaulted loans and outlines the requirements of the rehabilitation program.

Section 674.41 – Due diligence – general requirements.

This section establishes that institutions are required to inform the borrower on a timely basis and exercise due diligence in the collection of Perkins loans. Additionally, institutions are required to coordinate among the various campus administrative offices to share information as it relates to a borrower and the billing and collection process

Section 674.42 – Contact with the borrower.

This section establishes that institutions are required to provide borrowers with information about the repayment of the loan, a description of charges, an explanation of loan consolidation or other refinancing as well as other information about the amount of the repayment, the frequency, and to whom the payments must be made. Generally, this information is provided to the borrowers as a part of the required exit

interview process. The institution is required to maintain information substantiating the institution's compliance with these due diligence regulations.

Section 674.43 – Billing procedures.

This section establishes that institutions are required to notify borrowers about the amount of repayment due, to remind borrowers when their payment is overdue, and to demand payment of overdue amounts.

Section 674.45 – Collection procedures.

This section establishes that borrowers who do not respond satisfactorily to demand notices for repayment of defaulted loans must be referred for intensive collection efforts. Those efforts include reporting defaults to a national credit bureau, either the use of institutional resources to collect or the use of a collection agency, and ultimately, litigation to resolve the debt.

Section 674.47 – Costs chargeable to the Fund.

This section establishes detail about the billing costs, late charge costs, other collections costs, as well as write-offs and waivers of collection costs and the limitations of those costs that can be charged to the Perkins fund.

Section 674.48 – Use of contractors to perform billing and collection activities.

This section establishes that institutions that use contractors to perform billing and collection activities retain all responsibility to comply with the Title IV program requirements and must ensure that the third-party provider meets all the compliance requirements.

Section 674.49 – Bankruptcy of borrower.

This section establishes that institutions that receive notice that a borrower has filed a petition for relief in bankruptcy must follow the procedures in the regulations to avoid a discharge of the loan. The institution must assert any defense consistent with its status under applicable law to avoid discharge of the loan debt.

- 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 information collected, recorded, and/or disclosed in 34 CFR 674.39, 674.41, 674.42, 674.43, 674.45, 674.47, and 674.49 will be used by the institution, as necessary, to provide for the making and servicing of Perkins Loans. If the information was not collected, recorded and/or disclosed as specified in these sections, the collection of Perkins Loans could be open to fraud and waste or abuse of the program funds.

- 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.

There is nothing in these regulations that prohibits the use of technology to perform the required functions.

- 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.**

A review of the current procedures indicated that the requirements are minimal and avoid duplication.

- 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 impacted by this 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.**

The recordkeeping and reporting requirements are needed to assure accountability of program participants for proper program administration and less frequent collection could impair accountability of program participants and risk a loss of fiduciary security.

- 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 is conducted in a manner that is consistent with the guidelines in 5 CFR 1320.5(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.**

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 February 23, 2026, the Department published a Federal Register Notice (91 FR 8471) opening a 60-day public comment period on this collection. Only two nonsubstantial comments were received. No changes were made to the information collection. This is now the request for 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 payments or gifts will be provided to the respondents that provide the information.

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.

A Privacy Act Notice is included on the Federal Perkins Loan Promissory Note. In this notice, the borrower is informed of the statutory authority for collecting the information required. Although disclosure of the information is voluntary, the borrower is informed that in order to be considered for Perkins Loan Program funds, the information must be provided. The information provided is used to verify the borrower's identity, to determine the borrower's eligibility to receive a Perkins Loan Program loan and benefits, to permit the servicing of the borrower's loan(s) and to locate the borrower and collect on the loan(s) if the loan(s) become delinquent or default. A listing of the persons and entities to which the information may be disclosed and for what purposes the information may be disclosed is also included.

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 as identified.

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)

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.
- 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 674.39 – Loan rehabilitation.

Participating institutions are required to have a loan rehabilitation program for the purposes of rehabilitating defaulted Perkins Loans.

Affected Parties:

Individuals	519,466 X .016666 hours	=	8,657 hours
Institutions			
Public	564 X .45 hours	=	254 hours
Private	880 X .45 hours	=	396 hours
For-profit	109 X .45 hours	=	49 hours

# of Respondents	# of Responses	# of Burden Hours
521,019	521,019	9,356

Section 674.41 – Due diligence – general requirements.

This section establishes that institutions are required to inform the borrower on a timely basis and exercise due diligence in the collection of Perkins loans. Additionally,

institutions are required to coordinate among the various campus administrative offices to share information as it relates to a borrower and the billing and collection process

Affected Parties:

Individuals	2,215,450 X .016666 hours	=	36,923 hours
Institutions			
Public	564 X 1.42 hours	=	801 hours
Private	880 X 1.42 hours	=	1,250 hours
For-profit	109 X 1.42 hours	=	155 hours

# of Respondents	# of Responses	# of Burden Hours
2, 215,450*	2, 217,003	39,129

Section 674.42 – Contact with the borrower.

This section establishes that institutions are required to provide borrowers with information about the repayment of the loan, a description of charges, an explanation of loan consolidation or other refinancing as well as other information about the amount of the repayment, the frequency, and to whom the payments must be made. Generally, this information is provided to the borrowers as a part of the required exit interview process. The institution is required to maintain information substantiating the institution's compliance with these due diligence regulations.

Affected Parties:

Individuals	2,215,450 X .016666 hours	=	36,923 hours
Institutions			
Public	564 X 1.42 hours	=	801 hours
Private	880 X 1.42 hours	=	1,250 hours
For-profit	109 X 1.42 hours	=	155 hours

# of Respondents	# of Responses	# of Burden Hours
2, 215,450*	2, 217,003	39, 129

Section 674.43 – Billing procedures.

This section establishes that institutions are required to notify borrowers about the amount of repayment due, to remind borrowers when their payment is overdue, and to demand payment of overdue amounts.

Affected Parties:

Individuals	2,734,916 X .016666 hours	=	45,580 hours
Institutions			
Public	564 X 1.42 hours	=	801 hours
Private	880 X 1.42 hours	=	1,250 hours

For-profit	109 X 1.42 hours	=	155 hours
# of Respondents	# of Responses		# of Burden Hours
2,734,916*	2,736,469		47,786

Section 674.45 – Collection procedures.

This section establishes that borrowers who do not respond satisfactorily to demand notices for repayment of defaulted loans must be referred for intensive collection efforts. Those efforts include reporting defaults to a national credit bureau, either the use of institutional resources to collect or the use of a collection agency, and ultimately, litigation to resolve the debt.

Affected Parties:

Individuals	259,733 X .016666 hours	=	4,329 hours
Institutions			
Public	564 X .75 hours	=	423 hours
Private	880 X .75 hours	=	660 hours
For-profit	109 X .75 hours	=	82 hours
# of Respondents	# of Responses		# of Burden Hours
259,733	261,286		5,494

Section 674.47 – Costs chargeable to the Fund.

This section establishes detail about the billing costs, late charge costs, other collections costs, as well as write-offs and waivers of collection costs and the limitations of those costs that can be charged to the Perkins fund.

Affected Parties:

Individuals	259,733 X .016666 hours	=	4,329 hours
Institutions			
Public	564 X .83 hours	=	468 hours
Private	880 X .83 hours	=	730 hours
For-profit	109 X .83 hours	=	90 hours
# of Respondents	# of Responses		# of Burden Hours
259,733*	261,286		5,617

Section 674.48 – Use of contractors to perform billing and collection activities.

This section establishes that institutions that use contractors to perform billing and collection activities retain all responsibility to comply with the title IV program requirements and must ensure that the third-party provider meets all the compliance requirements.

Affected Parties:

Institutions

Public	564 X .92 hours	=	519 hours
Private	880 X .92 hours	=	810 hours
For-profit	109 X .92 hours	=	100 hours

# of Respondents	# of Responses	# of Burden Hours
*	1,553	1,429

Section 674.49 – Bankruptcy of borrower.

This section establishes that institutions that receive notice that a borrower has filed a petition for relief in bankruptcy must follow the procedures in the regulations to avoid a discharge of the loan. The institution must assert any defense consistent with its status under applicable law to avoid discharge of the loan debt.

Affected Parties:

Institutions

Public	564 X .92 hours	=	519 hours
Private	880 X .92 hours	=	810 hours
For-profit	109 X .92 hours	=	100 hours

# of Respondents	# of Responses	# of Burden Hours
*	1,553	1,429

*-The asterisk in the respondent's column is used to avoid over-counting the universe of institutions who could respond to the regulatory requirements

For individuals we have used the median hourly wage for all occupations. In May 2024, this was \$23.80 per hour according to BLS. https://www.bls.gov/oes/current/oes_nat.htm#00-0000 .

For institutions we have used the median hourly wage for Education Administrators, Postsecondary, \$49.98 per hour according to BLS. <https://www.bls.gov/oes/current/oes119033.htm>

Estimated Annual Burden and Respondent Costs Table

Information Activity or IC (with type of respondent)	Number of Respondents	Number of Responses	Total Annual Burden Hours	Estimated Respondent Average Hourly Wage	Total Annual Costs (hourly wage x total burden hours)
Individual	8,204,748	8,204,748	136,741	\$23.80	\$3,254,436
For-Profit Institutions	109	872	886	\$49.98	\$44,282

Please the total

Information Activity or IC (with type of respondent)	Number of Respondents	Number of Responses	Total Annual Burden Hours	Estimated Respondent Average Hourly Wage	Total Annual Costs (hourly wage x total burden hours)
Not-for-Profit Institutions	880	7,040	7,156	\$49.98	\$335,402
Public Institutions	564	4,512	4,586	\$49.98	\$229,208
Annualized Totals	8,206,301	8,217,172	149,369		\$3,863,328

ensure annual 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 start-up costs associated with these 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).**

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		0	
Total Responses		0	
Total Costs (if applicable)		0	

The Department is requesting an extension without change of this information collection. The regulations requiring this collection remain in place without change. The Department is requesting an extension of the current burden of 149,369 hours, 8,206,301 respondents and 8,217,172 response totals.

- 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.

- 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"