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DEPARTMENT OF EDUCATION

34 CFR Parts 668, 674, 682, and 685

[Docket ID ED-2017-OPE-0112]

RIN 1840-AD28

Student Assistance General Provisions, Federal Perkins Loan Program, Federal Family Education Loan Program, William D. Ford Federal Direct Loan Program, and Teacher Education Assistance for College And Higher Education Grant Program
AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Secretary proposes to further delay, until July 1, 2019, the effective date of selected provisions of the final regulations entitled Student Assistance General Provisions, Federal Perkins Loan Program, Federal Family Education Loan (FFEL) Program, William D. Ford Federal Direct Loan Program, and Teacher Education Assistance for College and Higher Education Grant Program (the final regulations), published in the *Federal Register* on November 1, 2016. The Secretary proposes this further delay to ensure that there is adequate time to conduct negotiated rulemaking and, as necessary, develop revised regulations. The provisions for which we propose to further delay the

effective date are listed in the SUPPLEMENTARY INFORMATION section of this document. The current effective date of selected provisions of the final regulations is July 1, 2018, in accordance with the interim final rule (IFR) published elsewhere in this issue of the *Federal Register*.

DATES: We must receive your comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit your comments through the Federal eRulemaking Portal or via postal mail, commercial delivery, or hand delivery. We will not accept comments submitted by fax or by email or those submitted after the comment period. To ensure that we do not receive duplicate copies, please submit your comments only once. In addition, please include the Docket ID at the top of your comments.

If you are submitting comments electronically, we strongly encourage you to submit any comments or attachments in Microsoft Word format. If you must submit a comment in Portable Document Format (PDF), we strongly encourage you to convert the PDF to print-to-PDF format or to use some other commonly used searchable text format. Please do not submit the PDF in a scanned format. Using a print-to-PDF format allows the Department

to electronically search and copy certain portions of your submissions.

- Federal eRulemaking Portal: Go to www.regulations.gov to submit your comments electronically. Information on using Regulations.gov, including instructions for accessing agency documents, submitting comments, and viewing the docket, is available on the site under "Help."

- Postal Mail, Commercial Delivery, or Hand Delivery: The Department strongly encourages commenters to submit their comments electronically. However, if you mail or deliver your comments about the notice of proposed rulemaking, address them to Jean-Didier Gaina, U.S. Department of Education, 400 Maryland Ave., SW., mail stop 6W248, Washington, DC 20202.

Privacy Note: The Department's policy is to make all comments received from members of the public available for public viewing on the Federal eRulemaking Portal at www.regulations.gov. Therefore, commenters should be careful to include in their comments only information that they wish to make publicly available.

FOR FURTHER INFORMATION CONTACT: Barbara Hoblitzell, U.S. Department of Education, 400 Maryland Ave., SW., mail stop

6W248, Washington, DC 20202. Telephone: (202) 453-7583 or by email at: Barbara.Hoblitzell@ed.gov.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

Invitation to Comment: We invite you to submit comments regarding this notice of proposed rulemaking. We will consider comments on the further delayed effective date only and will not consider comments on the wording or substance of the final regulations. See "ADDRESSES" for instructions on how to submit comments.

During and after the comment period, you may inspect all public comments about this notice of proposed rulemaking by accessing Regulations.gov. You may also inspect the comments in person in room 6W245, 400 Maryland Avenue, SW., Washington, DC, between 8:30 a.m. and 4:00 p.m. Washington, DC time, Monday through Friday of each week, except Federal holidays. If you want to schedule time to inspect comments, please contact the person listed under FOR FURTHER INFORMATION CONTACT.

Assistance to Individuals with Disabilities in Reviewing the Rulemaking Record: On request, we will provide an appropriate accommodation or auxiliary aid to an individual

with a disability who needs assistance to review the comments or other documents in the public -rulemaking record for this notice of proposed rulemaking. If you want to schedule an appointment for this type of accommodation or auxiliary aid, please contact the person listed under FOR FURTHER INFORMATION CONTACT.

Elsewhere in this issue of the *Federal Register*, the Department is publishing an IFR delaying until July 1, 2018, the effective date of selected provisions of the final regulations. The original effective date of the final regulations published November 1, 2016 (81 FR 75926) was July 1, 2017. On June 16, 2017, the Department published in the *Federal Register* a notification of the partial delay of effective dates under section 705 of the Administrative Procedure Act (5 U.S.C. 705) (82 FR 27621) (705 Notice), to delay the effectiveness of certain provisions of the final regulations until a legal challenge by the California Association of Private Postsecondary Schools is resolved. See Complaint and Prayer for Declaratory and Injunctive Relief, California Association of Private Postsecondary Schools v. DeVos, Civil Action No. 1:17-cv-00999 (D.D.C. May 24, 2017). As explained in the IFR, because the final regulations have been postponed by the 705 Notice beyond July 1, 2017, they must become

effective no earlier than July 1, 2018, to comply with section 482 of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. 1089), also known as the "master calendar requirement."

Also on June 16, 2017, the Department announced its intent to convene a committee to develop proposed regulations to revise the regulations on borrower defense to repayment of Federal student loans and other matters. Given that the first negotiated rulemaking session is scheduled for November 13-15, 2017, we cannot complete the negotiated rulemaking process and the development of revised regulations by November 1, 2018. Under the master calendar, a regulatory change that has been published in final form on or before November 1 prior to the start of an award year--which begins on July 1 of any given year--may take effect only at the beginning of the next award year, or in other words, on July 1 of the next year. In light of this requirement, the regulations resulting from negotiated rulemaking could not be effective before July 1, 2019.

As noted previously, elsewhere in this issue of the *Federal Register*, the Department is publishing an IFR delaying the effective date of the final regulations until July 1, 2018. The Department could implement the final regulations on July 1, 2018, pursuant to the IFR, or,

through notice and comment rulemaking, we could delay the effective date until July 1, 2019, or a future July 1. We propose to further delay the effective date of the final regulations, to continue to preserve the regulatory status quo, until July 1, 2019. The Department would continue to process borrower defense claims under the existing regulations that will remain in effect during the delay so that borrowers may continue to apply for the discharge of all or a part of their loans.

Based on the above considerations, the Department is proposing to delay until July 1, 2019, the effective date of the following provisions of the final regulations in title 34 of the Code of Federal Regulations (CFR):

- § 668.14(b) (30), (31), and (32) Program participation agreement.
- § 668.41(h) and (i) Reporting and disclosure of information.
- § 668.71(c) Scope and special definitions.
- § 668.90(a) (3) Initial and final decisions.
- § 668.93(h), (i), and (j) Limitation.
- § 668.171 General.
- § 668.175(c), (d), (f), and (h) Alternative standards and requirements.
- Part 668 subpart L, Appendix C.

- § 674.33(g) (3) and (g) (8) Repayment.
- § 682.202(b) (1) Permissible charges by lenders to borrowers.
- § 682.211(i) (7) Forbearance.
- § 682.402(d) (3), (d) (6) (ii) (B) (1) and (2), (d) (6) (ii) (F) introductory text, (d) (6) (ii) (F) (5), (d) (6) (ii) (G), (d) (6) (ii) (H) through (K), (d) (7) (ii) and (iii), (d) (8), and (e) (6) (iii) Death, disability, closed school, false certification, unpaid refunds, and bankruptcy payments.
- § 682.405(b) (4) (ii) Loan rehabilitation agreement.
- § 682.410(b) (4) and (b) (6) (viii) Fiscal, administrative, and enforcement requirements.
- § 685.200(f) (3) (v) and (f) (4) (iii) Borrower eligibility.
- § 685.205(b) (6) Forbearance.
- § 685.206(c) Borrower responsibilities and defenses.
- § 685.212(k) Discharge of a loan obligation.
- § 685.214(c) (2) and (f) (4) through (7) Closed school discharge.

- § 685.215(a)(1), (c)(1) through (c)(8), and (d) Discharge for false certification of student eligibility or unauthorized payment.
- § 685.222 Borrower defenses.
- Part 685 subpart B, Appendix A Examples of borrower relief.
- § 685.300(b)(11), (b)(12), and (d) through (i) Agreements between an eligible school and the Secretary for participation in the Direct Loan Program.
- § 685.308(a) Remedial actions.

As noted in the IFR, the Department interprets all references to "July 1, 2017" in the text of the above-referenced regulations to mean the effective date of those regulations. The regulatory text included references to the specific July 1, 2017, date in part to provide clarity to readers in the future as to when the regulations had taken effect. Because the regulations did not take effect on July 1, 2017, we would, in connection with this proposed additional delay of effective date, read those regulations as referring to the new effective date established by this further delay, i.e., July 1, 2019.

This proposed delay of the final regulations will not delay the effective dates of the following regulatory provisions published in 81 FR 75926 which: (1) expand the

types of documentation that may be used for the granting of a discharge based on the death of the borrower; (2) amend the regulations governing the consolidation of Nursing Student Loans and Nurse Faculty Loans so that they align with the statutory requirements of section 428C(a)(4)(E) of the HEA; (3) amend the regulations governing Direct Consolidation Loans to allow a borrower to obtain a Direct Consolidation Loan regardless of whether the borrower is also seeking to consolidate a Direct Loan Program or FFEL Program loan, if the borrower has a loan type identified in 34 CFR 685.220(b); (4) address severability; and (5) make technical corrections. As established in 81 FR 75926, 34 CFR 682.211(i)(7) and 682.410(b)(6)(viii) would remain designated for early implementation, at the discretion of each lender or guaranty agency.

Waiver of Negotiated Rulemaking: Under section 492 of the HEA (20 U.S.C. 1098a), all regulations proposed by the Department for programs authorized under title IV of the HEA are subject to negotiated rulemaking requirements. However, section 492(b)(2) of the HEA provides that negotiated rulemaking may be waived for good cause when doing so would be "impracticable, unnecessary, or contrary to the public interest." Section 492(b)(2) of the HEA also requires the Secretary to publish the basis for waiving

negotiations in the *Federal Register* at the same time as the proposed regulations in question are first published.

For the reasons stated above, it would not be practicable, before the July 1, 2018 effective date specified in the IFR, to engage in negotiated rulemaking and publish final regulations. There is, therefore, good cause to waive negotiated rulemaking pertaining to this delay.

Executive Orders 12866, 13563, and 13771

Regulatory Impact Analysis

Under Executive Order 12866, it must be determined whether this regulatory action is "significant" and, therefore, subject to the requirements of the Executive Order and subject to review by the Office of Management and Budget (OMB). Section 3(f) of Executive Order 12866 defines a "significant regulatory action" as an action likely to result in a rule that may--

(1) Have an annual effect on the economy of \$100 million or more, or adversely affect a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal governments or communities in a material way (also referred to as an "economically significant" rule);

(2) Create serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impacts of entitlement grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles stated in the Executive order.

The Department estimates the quantified annualized economic and net budget impacts of the delay of the effective date to be -\$26.9 million in reduced costs to institutions and the Federal government. These reduced costs result from the delay of the borrower defense provisions of the final regulations as they would apply to the 2017 to 2019 loan cohorts, as well as from the delayed paperwork burden on institutions, and the delayed execution of the closed school automatic discharge. This proposed regulatory action is a significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866.

We have also reviewed this proposed rule under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions

governing regulatory review established in Executive Order 12866. To the extent permitted by law, Executive Order 13563 requires that an agency--

(1) Propose or adopt regulations only on a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);

(2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives and taking into account--among other things and to the extent practicable--the costs of cumulative regulations;

(3) In choosing among alternative regulatory approaches, select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);

(4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and

(5) Identify and assess available alternatives to direct regulation, including economic incentives--such as user fees or marketable permits--to encourage the desired behavior, or provide information that enables the public to make choices.

Executive Order 13563 also requires an agency "to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible." The Office of Information and Regulatory Affairs of OMB has emphasized that these techniques may include "identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes."

We are issuing this proposed rule only on a reasoned determination that its benefits justify its costs. Based on the analysis that follows, the Department believes that this proposed rule is consistent with the principles in Executive Order 13563.

We also have determined that this regulatory action does not unduly interfere with State, local, or Tribal governments in the exercise of their governmental functions.

In accordance with both Executive orders, the Department has assessed the potential costs and benefits, both quantitative and qualitative, of this regulatory action.

The quantified economic effects and net budget impact associated with the delayed effective date are not expected to be economically significant.

Effects of One-Year Delay:

As indicated in the Regulatory Impact Analysis (RIA) published with the final regulations on November 1, 2016, the final regulations were economically significant with a total estimated net budget impact of \$16.6 billion over the 2017-2026 loan cohorts in the primary estimate scenario, including a cost of \$381 million for cohorts 2014-2016 attributable to the provisions for a three-year automatic closed school discharge. As the net budget impact is based on the net present value of the cash flows of the relevant cohorts over 40 years, delaying the final regulations for an additional year will have limited effect, as discussed below. This analysis is limited to the effect of delaying the effective date of the final regulations an additional year from July 1, 2018 to July 1, 2019, and does not account for any potential changes in the final regulations.

Even with the further delayed effective date, borrowers will still be able to submit claims. The provisions of the final regulations pertaining to the process for review and determination of claims were not limited to specific cohorts designated by the effective date so the delay will not result in specific cohorts of borrowers being excluded from the process reflected in the final regulations, when implemented. Once in effect, the

protection generated by the financial protection provisions will be available to be applied to claims from loans originated earlier, including the period from July 1, 2018 to June 30, 2019. Loans made before July 1, 2017, were always subject to the State-based standard and borrowers' ability to bring claims under that standard is unchanged by the delay. For claims filed after the effective date of the regulations, for loans made on or after July 1, 2019, the Federal standard established in the final regulations would apply. As discussed previously, the Department interprets all references to "July 1, 2017" in the text of the final regulations to mean the effective date of the final regulations. As a result, the further delay in the effective date means that loans made between July 1, 2018 and June 30, 2019, will be subject to the current State-based standard. As we noted in the final regulations, the Federal standard was designed to address much of the conduct already covered by the State-based standard, so the vast majority of claims associated with loans made between July 1, 2017, and the delayed effective date could be made under the current, State-based standard as well.

In addition to borrowers, institutions are also affected by the delayed effective date. As indicated in the RIA for the final regulations, institutions bear the

major costs of compliance, paperwork burden, and providing financial protection. The financial protection provisions of the final regulations depend on the effective date, so institutions will not incur these costs until the final regulations are in effect. In terms of cost savings for institutions, the estimated annual paperwork burden was approximately \$9.4 million in the initial year of the final regulations. In the revised scenario developed to estimate the effect of the additional one-year delay in the effective date, transfers from institutions to students, via the Federal government, would be reduced by approximately \$9.3 million for the 2017 and 2018 loan cohorts. The costs of providing financial protection were not quantified in the RIA for the final regulations, and the Department has no additional data to estimate costs institutions may avoid from the delayed effective date of the financial protection provisions.

Net Budget Impact:

In order to estimate the net budget impact of the additional one-year delay in the effective date to July 1, 2019, the Department developed a scenario that revised the primary estimate assumptions from the final regulations for the affected 2017 to 2019 loan cohorts, as was done for the one-year delay described in the IFR. As before, the

Department applies an assumed level of school misconduct, borrower claims success, and recoveries from institutions (respectively labeled as Conduct Percent, Borrower Percent, and Recovery Percent in Table 1) to the President's Budget 2018 (PB2018) loan volume estimates to generate the estimated net borrower defense claims for each cohort, loan type, and sector. The assumptions for the primary scenario from the 2016 final regulation were the basis for the President's Budget 2018 (PB2018) baseline that assumed the final regulations would go into effect on July 1, 2017. The scenario developed for this NPRM is designed to capture the incremental change from the one-year delay in the IFR associated with the further one-year delay in the effective date to July 1, 2019. Compared to the scenario developed for the IFR, recoveries are reduced by an additional two percent for the 2017 and 2018 cohorts, all of the 2018 cohort is subject to the State-based standard, and the affected portion of the 2019 cohort is subject to the current, State-based standard and reduced recoveries at the five percent level used for the one-year delay in the IFR. Table 1 presents assumptions for the primary estimate from the final regulations and the revised estimate for the further one-year delay, from July 1, 2018 to July 1, 2019, in the effective date. In this scenario, the conduct

percent is 90 percent of the primary scenario from the final regulations and the borrower percent is the same. The financial protection provided was always expected to increase over time, so the delayed effective date in the near term is not expected to significantly affect the amount of recoveries over the life of any particular loan cohort, limiting any net budget impact from the delay. To estimate the potential reduction in recoveries related to the proposed delayed effective date, we reduced recoveries for the affected portion of the 2017 and 2018 cohorts by seven percent for the private not-for-profit and proprietary sectors and by five percent for the 2019 cohort. As in the final regulations and the IFR, recoveries from public institutions were held constant at 75 percent across scenarios.

Table 1: Revised Assumptions for One-Year Delay from July 1, 2018 to July 1, 2019

Cohort	2017		2018		2019	
	Pub/ Priv NFP	Prop	Pub/ Priv NFP	Prop	Pub/ Priv NFP	Prop
Conduct Percent: Final Primary	3.0	20	2.4	16	2.0	13.6

Delay to 2019	2.7	18	2.16	14.4	1.8	12.24
Borrower						
Percent:	35	45	36.8	47.3	36.8	47.3
Final Primary	35	45	36.8	47.3	36.8	47.3
Delay to 2019						
Recovery	Pub:	Priv/P	Public	Priv/Pr	Pub:	Priv/Pr
Percent:	75	rop:	:	op:	75	op:
Final Primary	75	23.8	75	23.8	75	23.8
Delay to 2019		22.134	75	22.134		24.871

The net budget impact associated with these effects of the additional one-year delay in the effective date on the borrower defense provisions only is approximately -\$46.1 million from the 2017 to 2019 loan cohorts.

As the amount and composition of borrower defense claims and estimated recoveries over the lifetime of the relevant loan cohorts are not expected to change greatly due to the delayed effective date, the Department does not estimate an economically significant net budget impact from the delay itself, with a potential net budget impact related to borrower defense claims of -\$46.1 million in reduced costs for the affected cohorts. This represents the incremental change associated with the additional one-

year delay from July 1, 2018 to July 1, 2019. If compared to the PB2018 baseline, the savings would be approximately -\$78.8 million.

The closed school automatic discharge provisions were the other significant source of estimated net budget impact in the final regulations. Under credit reform scoring, the modification to older cohorts for the automatic discharge provision estimated to cost \$364 million was expected to occur in fiscal year (FY) 2017 in the President's Budget for FY 2018 (PB2018). As a result of the delay in the effective date, the Department will not execute the modification in FY 2017.

As indicated in the IFR, the Department does expect to incur the costs associated with the three-year automatic discharge after the delayed effective date, but moving the execution of the modification beyond FY 2017 will require a new cost analysis with economic assumptions from the fiscal year of the execution. This will result in a change of cost, but at this point it is not possible to know the discount rates in future fiscal years, so the cost of the modification will be determined in the year that it is executed. While the actual cost of the future modification cannot be determined at this time, the Department did approximate the effect of the delay by shifting the timing

of the relevant discharges back by a year and recalculating a modification using the discount rates and economic assumptions used for the calculation of the PB2018 modification. When calculated in this manner, the delay in the modification to July 2018 described in the IFR resulted in estimated savings of less than \$10 million. Using the same approach, the further delay to July 2019 is expected to save approximately \$15 million above the savings from the initial one-year delay.

As the delay does not change the substance of the automatic discharge, we would expect the amount and composition of loans affected by the automatic discharge not to change significantly. The closed school three-year automatic discharge provisions were applicable to loans made on or after November 1, 2013, and were not linked to the effective date of the final regulations. Therefore, delaying the effective date of those provisions will not change the set of loans eligible for this automatic discharge. Additionally, borrowers would have the ability to apply for a closed school discharge before July 1, 2019, if they did not want to wait for the automatic discharge to be implemented. For future cohorts, the delay is not significant as the three-year period will fall beyond the delayed effective date. Any significant change to the

estimated net budget impact associated with the closed school automatic discharge depends on any substantive changes made to the provisions as a result of the upcoming rulemaking and changes to economic assumptions when the modification is executed.

Consistent with Executive Order 13771 (82 FR 9339, February 3, 2017), we have estimated that this proposed rule will result in cost savings. Therefore, this proposed rule would be considered an Executive Order 13771 deregulatory action.

Accounting Statement:

In evaluating whether a regulation is economically significant, a key consideration is whether the annual effect in any given year is over \$100 million. To evaluate this, the Department looked at the difference in the undiscounted cashflows related to the death, disability, and bankruptcy (DDB) claims in which borrower defense claims are included for the one-year delay established in the IFR and the further one-year delay scenario described under Net Budget Impacts. The difference from subtracting the further delay scenario from the IFR one-year delay scenario for the 2017 to 2019 cohorts is summarized in Table 2.

Table 2: Difference in Undiscounted Net Cashflows for the 2017 to 2019 Loan Cohorts from the Further One-Year Delay in 2016 Borrower Defense Rule to July 1, 2019

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Change in DDB Cashflow	159	7,489	496,637	637,361	538,468
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Change in DDB Cashflow	6,004,802	9,525,520	4,668,143	2,156,009	3,003,657

Table 3 shows the effects when those differences in the DDB cashflows are discounted at 7 and 3 percent and annualized.

Category	Benefits	
Institutions may not incur compliance costs or costs of obtaining financial protection until the rule is in effect.	Not Quantified	
Category	Costs	
	7%	3%
Continued use of State-law based standard. Delay in providing consumer information about institution's performance and practices. Potential decreased awareness and usage of closed school and false	Not Quantified	

certification discharges.		
Savings associated with delay in compliance with paperwork requirements.	-9.5	-9.51
Category	Transfers	
	7%	3%
Reduction in transfers from the Federal Government to affected borrowers in the 2017 to 2019 cohorts that would have been partially borne by affected institutions via reimbursements.	-3.5	-3.8
Reduced reimbursements from affected institutions to affected students, via the Federal government as loan cohorts 2017 to 2019 are subject to the existing borrower defense regulation.	-1.2	-1.3
Delay in closed school automatic discharge implementation from 2018 to 2019	-14.8	-14.8

Paperwork Reduction Act of 1995

As indicated in the Paperwork Reduction Act section published in the final regulations, the assessed estimated

burden was 253,136 hours, affecting both institutions and individuals, with an estimated annual cost of \$9,458,484. The table below identifies the regulatory sections, OMB Control Numbers, estimated burden hours, and estimated costs of the final regulations.

Regulatory Section	OMB Control Number	Burden Hours	Estimated Cost \$36.55/hour Institution \$16.30/hour Individual
668.14	1845-0022	1,953	71,382
668.41	1845-0004	5,346	195,396
668.171	1845-0022	3,028	110,673
668.175	1845-0022	60,560	2,213,468
682.211	1845-0020	5,784	211,405
682.402	1845-0020	1,838	67,179
685.222	1845-0142	249 (Individuals)	4,059
685.222	1845-0142	800 (Institutions)	29,240
685.300	1845-0143	179,362	6,555,681
	TOTAL	258,920	9,458,484
Cost savings due to delayed effective date excluding 682.211 early implementation allowed		253,136	9,247,079
Burden remaining		5,784	211,405

This notice of proposed rulemaking delays the effective date of the implementation of all of the cited regulations and would result in a cost savings of the total amount of \$9,458,484. However, § 682.211(i)(7) of the final regulations, regarding mandatory forbearance based on a

borrower defense claim, with an estimated 5,784 hours and \$211,405 cost, as would continue to be designated for early implementation. Lenders may have elected early implementation and, therefore, those specific costs and hours remain applicable and have been subtracted from the overall estimated cost saving. Based on the delayed effective date of July 1, 2019, the revised estimated annual cost savings to institutions and individuals is \$9,247,079 (\$9,458,484 - \$211,405) with an estimated burden hours savings of 253,136 (258,920 - 5,784).

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List of Subjects

34 CFR Part 668

Administrative practice and procedure, Colleges and universities, Consumer protection, Grant programs—education, Loan programs—education, Reporting and recordkeeping requirements, Selective Service System, Student aid, Vocational education.

34 CFR Part 674

Loan programs—education, Reporting and recordkeeping requirements, Student aid.

34 CFR Parts 682 and 685

Administrative practice and procedure, Colleges and universities, Loan programs—education, Reporting and recordkeeping requirements, Student aid, Vocational education.

Dated: October 16, 2017

Betsy DeVos,
Secretary of Education.

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