



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE UNDER SECRETARY

July 23, 2019

Honorable Conor Lamb
House of Representatives
Washington, DC 20515

Dear Representative Lamb:

Thank you for your December 21, 2018, and March 6, 2019, letters to Secretary DeVos regarding the data-matching program between the U.S. Department of Education (Department) and the U.S. Department of Veterans Affairs (VA). Your letter was referred to my office, and I am pleased to respond. I am sending an identical response to your cosigner.

We share your sense of duty to all veterans, especially those who are totally and permanently disabled and who have Federal student loans and/or Teacher Education Assistance for College and Higher Education (TEACH) Grant service obligations. In your letter, you ask the Department to automatically discharge the Federal student loan debt of veterans identified through the VA data match as eligible for a total and permanent disability (TPD) discharge. We are currently exploring our options to adopt such a process, including examining the potential State income tax implications automatic discharge might have on eligible veterans. We are also working to understand any barriers to future education that eligible veterans who receive TPD discharge might experience.

Answers to your two remaining questions about the matching program are provided below.

Common database errors include a name discrepancy post marriage, missing hyphen, transposed number or letter, or similar typographical error. Therefore, does the Department have a process for reviewing records when a partial data match is identified, and an error of this kind could be preventing a full match?

RESPONSE: The current match with the VA validates an individual based on the full Social Security Number and name. If the match fails for either data element, it is not validated. Currently, we do not review the matches that fail because we cannot retain data about non-matches under the Department's current Memorandum of Understanding with the VA. We will re-assess the retention and use of non-match data in our future work with the VA. In the meantime, we continue to process TPD requests from veterans who were not validated through the match, but who contact us directly.

If an eligible veteran is identified through the matching program and is already in default on their loans, does the Department plan to take immediate action to help them? Will a previously administered lien on a home or wage garnishment be stopped as a result of this program? Will credit ratings be restored to affected eligible veterans?

RESPONSE: When the TPD servicer receives the VA match file, it has five days to notify the loan holder to suspend collection efforts for up to 120 days. When the Department is the loan holder, we immediately suspend collection efforts on the account, including tax offset and wage garnishment. The Department does not use liens against homes or other property to collect on student loans or TEACH Grant obligations. After the borrower is approved for discharge, the loan holder (including the Department) reports the loan as paid in full to the national credit bureaus, but all repayment history reported prior to the discharge remains on the borrower's credit report.

In closing, I want to thank you for your interest in helping us improve the TPD discharge process for eligible veterans. I hope you find this information helpful. If you have additional questions or concerns, please do not hesitate to have your staff contact the Department's Office of Legislation and Congressional Affairs at (202) 401-0020.

Sincerely,



Diane Auer Jones
Principal Deputy Under Secretary
Delegated the Duties of Under Secretary