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Congress of the United States
House of Representatives
Washington, DC 20515–3818

December 21, 2018

The Honorable Betsy DeVos
Secretary of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary DeVos:

We write to inquire into the U.S. Department of Education's (Department) data-matching program with the U.S. Department of Veterans Affairs (VA). This program provides a critical opportunity for disabled veterans with Total and Permanent Disability (TPD)[1] determinations to receive necessary student loan debt relief. This is an important step toward honoring the service and sacrifice of our veterans; however, we urge you to go further and ensure the success of this program by: implementing an automatic discharge for eligible permanently disabled veterans, particularly those in default on their student loan payments; providing an opt-out option to veterans living in the few states with tax burdens for a TPD discharge;[2] and proactively contacting potentially eligible veterans with partial data matches.

In November, the Department issued a notice in the Federal eRulemaking Portal informing the public about the re-establishment of the matching program, which began in April 2018. The matching program was set to go into effect by November 9, 2018, unless the public submitted comments that required modification to the notice. A scan of the available comments either support the Department's proposed program or call on the Department to do more.

Commenters, including many Veterans Service Organizations (VSOs), specified their strong support for an automatic discharge for identified eligible veterans with permanent disabilities.[3] They also articulated concern that the severe nature of permanently disabled veterans' disabilities could make filling out additional program enrollment paperwork callously onerous for them.

The Department and VA have identified over 42,000 permanently disabled veterans that collectively hold over $1 billion in student loan debt. According to the Department's estimates more than half (25,023) of these veterans are currently in default on their student loans.[4] As a result, these veterans could face substantial economic hardship in the form of potential wage or tax refund garnishments and negatively affected credit. The brave men and women who served and sacrificed so much for our country should not struggle to provide for their families.

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[1] TPD determinations are made to veterans who, (1) have a service-connected disability rating that is 100 percent disabling, or (2) are totally disabled based on an individual unemployability rating.
[2] In 41 states the Department could automatically discharge the debt, without borrowers facing tax consequences.
[3] https://www.regulations.gov/document?D=ED-2018-FSA-0065-0005
[4] https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5be5ea3f2b6a28347b81011e/1541794367866/USED+FOIA+TPD+Response.pdf

In light of these concerns and the opportunity we see for the Department to better serve disabled veterans with this program, we request your prompt response to the questions outlined below by January 11, 2019.

1. Why did the Department not issue another notice that took into consideration the comments submitted before November 9, 2018?

2. If the Department is still planning to automatically discharge student loan debt for eligible permanently disabled veterans, what is the estimated timeline?[5]

3. If the Department does not plan to automatically discharge student loans for eligible veterans, please explain why. If the response entails concern about a potential tax liability for veterans receiving an automatic discharge, please explain why an opt-out option would not be sufficient to meet your concern. Additionally, would you consider automatically discharging student loans for eligible veterans in states without a tax liability for student loan discharges or for eligible veterans who are already in default?

4. Is the Department planning to track communication with permanently disabled veterans who are sent notices? If not, how will the Department know if the notices are effective?

5. 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?

6. If an eligible veteran is identified through the matching program and 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?

Thank you in advance for your consideration and your attention to this matter. We look forward to working with you to ensure this program has the best possible outcomes for our country's disabled veterans.

Sincerely,

Conor Lamb
Member of Congress

Brian Fitzpatrick
Member of Congress

[5] https://www.regulations.gov/docket?D=ED-2018-FSA-0065