

Advocates Condemn U.S. Department of Education Delays on Student Debt Relief for Disabled Veterans

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Boston – Advocates at the National Consumer Law Center (NCLC) condemned news that the U.S. Department of Education (Department) is delaying its plans to automatically forgive federal student loan debt for totally and permanently disabled veterans, citing regulatory hurdles. Advocates also urge the Department to go further and grant relief to *all* of the more than 200,000 of totally and permanently disabled student loan borrowers it has identified.

“I’m glad to see that the Department is now taking swift action to fix the regulations for disabled veterans. But if Secretary DeVos believes that regulatory hurdles stand in the way of getting relief to disabled veterans, she’s had nearly three years to address those hurdles and she didn’t,” **said National Consumer Law Center attorney Abby Shafroth.** “Instead, she prioritized regulatory changes pushed by the for-profit school industry—changes to make it easier for low-quality schools to access student loan dollars and harder for veterans and other students hurt by their schools’ fraud or closures to get loan relief. Even after a shocking string of actions by Secretary DeVos that harm students, today’s action harming totally and permanently disabled veterans is a new low.”

In April 2016, the Department established a data matching process with the Social Security Administration (SSA) to identify totally and permanently disabled borrowers who are eligible for student loan relief. In April 2018, the Department expanded its matching program to include disability determinations by the Veterans Administration (VA). Then in August 2019, a Presidential Memorandum to Secretary DeVos identified the “pressing need to quickly” and automatically give loan relief to disabled veterans and a directive to implement an automatic relief process. However, that Memorandum did not include the more than 234,000 borrowers identified through the SSA.

“The Department’s proposed regulatory fix does not go far enough,” said **National Consumer Law Center attorney Persis Yu, and director of NCLC’s Student Loan Borrower Assistance Project.** “The Department of Education knows of more than 200,000 disabled borrowers who are eligible for loan cancellation and yet it is failing to cancel the loans. The Department should take immediate steps to provide relief to every disabled borrower identified as eligible for student loan cancellation. It is morally outrageous that any disabled borrowers should have to wait even one more day for the relief that they are entitled to under law.”

Related Resources

NCLC Student Loan guest blog post: DeVos’s unfinished business — student debt relief for 200,000 borrowers with disabilities (Oct. 2019).

NCLC Student Loan blog post: New Matching Program for Disabled Student Loan Borrowers (Dec. 2015).

NCLC: Disability and Death Discharges

U.S. Department of Education, Federal Student Aid: disabilitydischarge.com