



THE SECRETARY OF EDUCATION  
WASHINGTON, DC 20202

January 17, 2017

Honorable Angus S. King, Jr.  
United States Senate  
Washington, DC 20510

Dear Senator King:

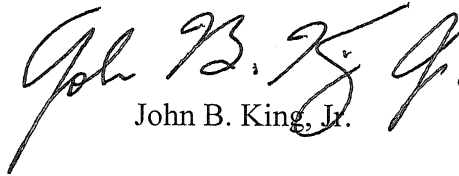
Thank you for your November 14, 2016, letter to the Secretary of Veterans Affairs, Robert McDonald, and me urging our agencies to streamline the process to ensure that any veteran who meets the requirements for total and permanent disability discharge is discharged of his or her federal student loan debt. I am pleased to provide a response on behalf of both Departments, which is also being sent to the cosigners of your letter.

Secretary McDonald and I agree wholeheartedly with the need for such streamlining. Consequently, our agencies worked together to develop a computer matching agreement (CMA) that will assist the Department of Education in its efforts to ensure that borrowers of Title IV loans (under the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. § 1070 et seq.)), with disabilities can apply for total and permanent disability discharge of their student loans more efficiently and effectively. I am pleased to report that the notice announcing the CMA was published in the Federal Register on December 7, 2016 (see enclosure). Under the terms of the CMA, the Department of Veterans Affairs (VA) will disclose to the Department of Education's office of Federal Student Aid (FSA) information about individuals who are in receipt of VA disability compensation benefits with a total disability rating, to include those with a total disability rating based on unemployability, where the disabilities are considered static (permanent). FSA will match the file received from VA with FSA's records on individuals who owe a balance on one or more Title IV, HEA loans. In instances where a match is obtained, FSA will alert the individual about his or her eligibility and provide information on how to apply for loan discharge. Because the match relies on data already provided from VA, the individual will not need to submit additional documentation from VA; the individual will simply sign and return the notification from FSA, which will allow FSA to process the application faster and more efficiently.

Due to potential tax consequences for the borrower, the Department (or loan holder) cannot automatically discharge such loans without an application from the individual, but we believe that our proactive communication to let these borrowers know they are eligible for this benefit ensures exemplary service to our disabled veterans.

I appreciate your interest in ensuring that the federal government serves our veterans in the most effective way possible. Should you have questions, please feel free to contact Lloyd Horwich, Assistant Secretary for Legislation and Congressional Affairs, at (202) 401-0020. Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read "John B. King, Jr.", written in a cursive style.

John B. King, Jr.

Enclosure

cc: Secretary Robert A. McDonald