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U.S. DEPARTMENT OF EDUCATION

FOR IMMEDIATE RELEASE

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Federal Agencies Enhance Collaboration to Support Veterans in Higher Education

The [U.S. Department of Education](#) today joined the [U.S. Department of Defense](#) and the [U.S. Department of Veterans Affairs](#) in taking action to support veterans and servicemembers transitioning to civilian life as they seek to access education and training from our nation's colleges and universities. Additionally, as part of the Administration's ongoing efforts to support servicemembers and veterans, today the White House issued a [Presidential Memorandum](#) directing federal agencies to take steps to promote fair practices in education and training programs for the men and women who serve our country, and to ensure that the time and resources they spend on postsecondary programs are good investments.

“We must always remember that, despite the danger of military service, our nation’s servicemembers and veterans willingly took the solemn oath to defend the Constitution of the United States,” said [U.S. Secretary of Education John B. King Jr.](#) “We must not only thank them for their service, but also make sure we support them as they pursue the benefits of a quality college education. The collaborative efforts of our federal agencies will help ensure that they receive the support they deserve to succeed.”

To date, [the Post-9/11 GI Bill](#) has provided \$68.9 billion in education benefits to nearly 1.7 million individuals. The joint initiatives announced today will collectively support servicemembers and veterans pursuing postsecondary education and training as they make use of these well-deserved benefits.

Promoting Informed Decision-making to Ensure Student Success

Beginning today, veterans can access information about [Department of Education grant programs](#) that provide personalized academic counseling and support to veterans as they pursue higher education. And in partnership with the Departments of Veterans Affairs (VA) and Defense, the Department of Education is announcing the creation of a new pilot program to test how personalized information, tools, and counseling resources for transitioning servicemembers can promote informed choices and success for those enrolling in postsecondary education and training. The pilot will explore the benefits of using technology to deliver timely information to veterans about the college application process, data on institutional performance and outcomes, and invitations to meet with college counselors.

Increased Data Sharing to Promote Transparency for Veterans and Students

Federal Student Aid and the Department of Veterans Affairs (VA) signed an agreement to share data that will be used to calculate cohort default rates, median loan debt, and repayment rates at the aggregate and institutional level for veterans and their beneficiaries who are using Post 9/11 GI Bill education benefits and who also receive Federal student loans. The data will be publicly reported through VA’s GI Bill Comparison Tool, which builds upon the [College Scorecard](#), to help veterans make more informed decisions about where to invest their time, money, and benefits. Both agencies also entered a matching agreement to identify veterans with service-connected disabilities and help them apply more effectively for [Total and Permanent Disability](#) discharge of their student loans. FSA will proactively reach out to the identified eligible veterans and encourage them to return the necessary documentation so their discharge can be processed, rather than leaving those borrowers to learn about and apply for the discharge on their own. The President’s 2017 budget proposal also seeks to exclude TPD discharges and other loan forgiveness programs from taxable income.

Ensuring Active Servicemembers Can Easily Access Interest Relief for Student Loans

The Department of Education recently took an additional step to ensure that active-duty servicemembers obtain relief on their student loan interest rates under the [Servicemembers Civil Relief Act](#) (SCRA), which allows active-duty servicemembers an interest rate limitation of six percent. Following regulatory changes enacted last year, the Department has been actively working to ensure that Federal loan servicers conduct data matches and automatically apply this benefit for eligible servicemembers with federal loans. This week,

the Department issued a [Dear Colleague Letter](#) encouraging Federal Family Education Loan program loan holders and servicers, including guaranty agencies, to automatically and retroactively apply the same SCRA benefit for all periods of active-duty status on or after August 14, 2008.

Building on a Track Record of Student Protection and Institutional Accountability

These efforts build on years of interagency collaboration, including work launched by the [President's April 27, 2012 Executive Order Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members](#), and the requirements set forth in the amendment of the [National Defense Authorization Act](#).

In 2010, the Obama Administration released [a broad set of rules](#) to strengthen the Department's authority to protect students from aggressive recruiting practices fueled by incentive compensation; take action against colleges engaging in deceptive advertising, marketing and sales practices; and to clarify minimum requirements for states to oversee postsecondary programs and handle student complaints.

Aggressive recruiting practices fueled by incentive compensation models previously resulted in students, including veterans and servicemembers, being encouraged to take out loans they could not afford or enroll in programs where they were either unqualified or could not succeed. Though current laws prohibit schools from compensating admissions recruiters based solely on success in securing student enrollment, provisions known as "safe harbors" allowed this questionable practice. The regulations announced in 2010 removed all the "safe harbor" provisions.

Subsequent regulatory efforts, also seek to protect servicemembers and veterans, along with other students. Most recently, the Department published the borrower defense regulations, which ensure that students, who have suffered a misrepresentation from their schools, are able to access relief.

Despite the lack of support from some in Congress, the Department has also [proposed strengthening the 90/10 rule](#) to protect student military servicemembers, veterans, and their families from predatory actions by for-profit colleges. The law, known as the 90/10 rule, requires that a for-profit college must derive at least 10 percent of its revenue from non-federal student aid funds in order to continue participating in the Department's federal student aid programs. However, it is clear that Congress must act to restore the original 85/15 ratio and to close the loophole on GI Bill, TAP and other federal revenue. Under the current law, servicemembers' and veterans' education aid is allowed to count toward the 10 percent, despite the fact that these funds represent federal taxpayers' money. This loophole has created a perverse incentive for some for-profit colleges to seek out and aggressively—and, sometimes, deceptively—enroll servicemembers and veterans to skirt the law.

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