

May 16, 2019

Department of Defense  
Office of the Chief Management Officer  
Directorate for Oversight and Compliance  
4800 Mark Center Drive  
Alexandria, VA 22350-1700  
*Submitted via Federal eRulemaking Portal*

Re: Docket ID: DOD-2019-OS-0038, Notice of a modified system of records

Dear Sir/Madam:

As a group of organizations that advocate on behalf of servicemembers, veterans, and their families, we write to applaud the proposed modification of the Defense Manpower Data Center Data Base, to accommodate disclosures for a new matching agreement between the Department of Defense (DOD) and the Department of Education (ED) to ensure servicemembers who have received imminent danger pay (IDP) or hostile fire pay (HFP) obtain their no interest accrual benefit on their eligible federal student loans during the period of time they received IDP or HFP pay.

We strongly support this proposed matching agreement as it will help guarantee servicemembers who receive IDP or HFP automatically receive their no interest accrual benefits on their eligible federal student loans under Section 455(o) of the Higher Education Act of 1965. As the U.S. Senate Committee on Armed Services said, “eligible service members have avoidably overpaid \$100 million dollars in federal student loan interest payments due to a lack of communication between the Department of Education, Department of Defense, and Veterans Affairs, and federal student loan servicers.”<sup>1</sup> This is a hard-earned benefit that these servicemembers receive while in the most dangerous situations in the world, and we are grateful for this new matching agreement which we hope will be implemented in an expeditious and timely manner so servicemembers can start receiving their benefits immediately without having to file unnecessary paperwork.

We hope that DOD and ED will ensure that this benefit is applied retroactively to all eligible military borrowers who made unnecessary interest payments when they should have received this benefit. The Consumer Financial Protection Bureau estimated that in

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<sup>1</sup> U.S. Senate Committee on Armed Services, National Defense Authorization Act for Fiscal Year 2018 Committee Report, S. Rept. 115-125, available at <https://www.congress.gov/congressional-report/115th-congress/senate-report/125/1?overview=closed>.

addition to the over \$100 million in unnecessary interest charges that were paid by eligible servicemembers since the program was instituted in 2008, only about 600 of the estimated hundreds of thousands of eligible servicemembers utilized the no interest accrual benefit.<sup>2</sup> Additionally, many servicemembers likely did not receive enough information about the benefit from their loan servicers.<sup>3</sup> The new matching agreement should ensure veterans and servicemembers automatically receive retroactive refunds for the amount of interest they paid to the government but never actually owed.

Once again, we greatly appreciate the DOD proposing to modify its systems of records to facilitate this necessary matching agreement with ED, and hope to see veterans and servicemembers automatically receive their no interest accrual benefit they have earned. Thank you very much for the opportunity to comment.

Sincerely,

Air Force Sergeant's Association

High Ground Advocacy

Ivy League Veteran Council

Iraq and Afghanistan Veterans of America

National Military Families Association

Vietnam Veterans of America

Veterans Education Success

US Army Warrant Officers Association

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<sup>2</sup> Prepared Remarks of Seth Frotman, Deputy Assistant Director and Acting Student Loan Ombudsman, Judge Advocate General's Legal Center and School, Charlottesville, VA, November 3, 2015, at 7, available at <https://protectborrowers.org/wp-content/uploads/2019/04/prepared-remarks-of-seth-frotman.pdf>.

<sup>3</sup> *Id.*; Jillian Berman, *This new policy could save military members tens of millions of dollars on their student loans*, MarketWatch, April 19, 2019, available at <https://www.marketwatch.com/story/this-new-policy-could-save-military-members-tens-of-millions-of-dollars-on-their-student-loans-2019-04-17>.