



Subject: Testimony before the Department of Education (90/10 Loophole)

Date: October 27, 2021

Good morning, officials and staff of the Department of Education. My name is Nick Wooldridge, and I am the Policy and Outreach Fellow at Blue Star Families. I am speaking on behalf of the families of our all-volunteer force, whom Blue Star Families seeks to strengthen as they serve, by creating vibrant networks of support across the country.

We call on the Education Department to ensure strong implementation of the new law to close the 90/10 loophole and believe the Department should not allow for the weakening of these provisions during the rulemaking process. The 90/10 loophole has resulted in the aggressive targeting of the military- and veteran-connected communities and must be reformed.

Student loan debt can be a massive burden for many military families. Blue Star Families' research has revealed the effect this debt has had on the members and dependents of our Armed Forces. When the financial stability of their family is in question, service members cannot focus on the mission, impacting not only their families' lives but also the readiness of our military.

In our 2020 Military Family Lifestyle Survey, "student loans" were the second greatest contributor to active-duty family respondents' financial stress, just behind "unemployment or underemployment". Over a quarter (28%) of active-duty family respondents who reported being financially stressed selected "student loans" as a contributor to their family's current financial stress. This ranked higher than "excessive credit card debt", "out-of-pocket relocation costs", "out-of-pocket housing costs" and "out-of-pocket childcare costs".

The MSO and VSO community have been tireless advocates for the closure of the 90/10 loophole because, as BSF's research and countless other studies have shown, student loan debt and the targeting of the military community has had a significant impact on their quality of life and financial readiness.

Members of Congress acted in a bipartisan way to close this loophole after years of advocacy and debate, and it is incumbent upon the Department of Education to see this vital work through.

Thank you for the opportunity today to present Blue Star Families' views. Please reach out to us with any clarifying questions you may have.