

Session # 34

Veterans and Active Duty Military

Brian Smith
U.S. Department of Education



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Session Agenda--Part I

Department of Education

- General overview of the Department's higher education benefits for:
 - Active duty military
 - Veterans
- The Department's Website for veterans, service members, and their families

Active Duty Military



Active Duty Service in Armed Forces

- Borrowers on active duty service in the U.S Armed forces may qualify for:
 - Servicemembers Civil Relief Act interest rate cap
 - In-State tuition benefit
 - Exclusion of value of on-base military housing/basic housing allowance from “untaxed income” for EFC calculation

Military Deferment/Waivers

- Borrowers whose active duty service or full-time National Guard duty meets the following eligibility criteria may qualify for:
 - Military service deferment
 - HEROES Waivers

Military Deferment/Waivers

- Military service deferment and HEROES Waivers apply to:
 - Active duty service members reassigned to a new location
 - Reserve or retired service members called to active duty
 - National Guard members on active duty under Federal authority
- The service must be in connection with a war, contingency operation, or a national emergency

Military Deferment/Waivers

- Reserve or retired members must be called to active duty under 10 U.S.C. 668; 12301(a); 12301(g); 12302; 12304; or 12306
- National Guard members must be on full-time National Guard duty under Federal authority for more than 30 consecutive days
- Other members of the Armed Forces must be reassigned to a duty station at a location other than their normal assignment

Military Deferment/Waivers

- **Contingency Operation** is a military operation that is designated by the Secretary of Defense as an operation in which members of the Armed Forces are or may become involved in military actions, operations, or hostilities against an enemy of the U.S. or against an opposing military force, **or** results in a call or order to, or retention on, active duty of members of the uniformed services under provisions of Title 10, U.S.C., or any other provision of law during a war or during a national emergency declared by the President or Congress

Military Deferment/Waivers

- Current and recent Contingency Operations include:
 - Operation Enduring Freedom (Afghanistan)
 - Operation New Dawn (Iraq)
 - Operation Iraqi Freedom (Iraq)
 - Operation Unified Response (Haiti)
 - Operation Noble Eagle (U.S. Airspace)



Military Service Deferment

- Borrower is not required to make payments on a Direct, Perkins, or FFEL loan:
 - During the period of eligible military service
 - For 180 days after eligible military service that ends on or after 10/1/2007
- No limit to the number of years a borrower may qualify for a military service deferment

HEROES Waivers

- During the period of eligible military service:
 - Forbearance and military service deferment documentation requirements are relaxed
 - In-school status is retained
 - Grace period or school-related deferment status is retained for up to 3 years
 - Collection activity on defaulted loans may be suspended



HEROES Waivers

- During the period of eligible military service:
 - Missed payments are not treated as an interruption of a stream of required payments
 - Return of Title IV requirements are modified
 - Copies of IRS forms documenting AGI and income tax paid are not required

HEROES Waivers

- During the period of eligible military service:
 - Written leave of absence request is not required
 - Requirement that loan cancellation or forgiveness service be uninterrupted or consecutive does not apply

HEROES Waivers

- During the period of eligible military service:
 - Period of time for cancelling loan proceeds under cash management regs is extended
 - Oral, rather than written, authorizations from the borrower may be accepted by the school

HEROES Waivers

- Complete list of HEROES Waivers published in the Federal Register on 12/12/2003
- HEROES Waivers extended by Notices published in the Federal Register on 10/12/2005 and 12/26/2007
- HEROES Waivers have been extended to September 30, 2012

Hostile Fire/Imminent Danger Area

- Active duty service in the U.S. Armed Forces in a hostile fire/imminent danger pay area may qualify a borrower for:
 - Perkins Loan military service cancellation
 - Direct Loan interest accrual benefit

Hostile Fire/Imminent Danger Area

- The Perkins Loan military service cancellation cancels a percentage of the principal and interest for each complete year of service in a hostile fire/imminent danger pay area
- For service that includes or begins on or after August 14, 2008, up to 100% of the original principal plus interest may be cancelled

Hostile Fire/Imminent Danger Area

- Cancellation rates for the Perkins military service cancellation are:
 - 15% for the 1st and 2nd years
 - 20% for the 3rd and 4th years
 - 30% for the 5th year
- For service that ended before August 14, 2008, the cancellation rate is 12 1/2% per year, up to a total of 50% of the original principal, plus interest

Hostile Fire/Imminent Danger Area

- Interest does not accrue on a Direct Loan during the period of eligible active duty service if the borrower qualifies for a military service deferment **and** is serving in a hostile fire/imminent danger pay area

Veterans



Post-Active Duty Student Deferment

- Post-active duty student deferment applies to members of the National Guard and Reserve or Retired members of the Armed Forces for service on or after 10/1/2007
- The borrower must have been enrolled at least half-time at an eligible institution at the time, or within six months of the time, the borrower was called to active duty service

Post-Active Duty Student Deferment

- The active duty service must be:
 - Full-time service in the active military duty of the Armed Forces (for Reserve or Retired members)
 - State Active Duty (for members of the National Guard)

Post-Active Duty Student Deferment

- The deferment begins on the date the borrower's eligible active duty service ends
- The deferment ends the earlier of the date the borrower:
 - Resumes half-time enrollment; or
 - 13 months after the completion date of the active duty service and any applicable grace period

Readmission Requirements

- An institution of higher education may not deny readmission to a service member who was admitted to the institution and then left to perform service in the uniformed services
- The institution must promptly readmit the service member with the same academic status
- The readmission requirements supersede state law

Readmission Requirements

- The service must be:
 - Voluntary or involuntary service in the Armed Forces, including National Guard or Reserves
 - Active duty service, active duty for training, or full-time National Guard duty under Federal authority
 - For more than 30 consecutive days under a call or order to active duty of more than 30 consecutive days



Readmission Requirements

- An otherwise eligible service member qualifies for readmission if:
 - The school is given notice of absence for service
 - The cumulative length of absences does not exceed five years
 - The student gives notice of his or her intent to return

Readmission Requirements

- The institution is not required to readmit the service member if it determines that:
 - The student is not prepared to resume the program where he or she left off
 - The student is unable to complete the program
 - There are no reasonable efforts the institution can take to prepare the student to resume or complete the program

Readmission Requirements

- The institution carries the burden to prove by a preponderance of evidence that the student is not prepared to resume the program with the same academic status at the point where the student left off, or that the student will not be able to complete the program

Veterans Disability Discharge

- Streamlined process for granting total and permanent disability discharges for veterans who the Department of Veterans Affairs has determined are unemployable due to a service-connected disability
- Under the streamlined process, the loan is not assigned to ED—the loan holder only submits the TPD application and VA documentation to ED

Veterans Disability Discharge

- ED determines borrower eligibility for TPD discharge based on the VA documentation
- ED notifies the school to either discharge the loan or resume collection
- If ED denies the disability discharge request, the borrower may reapply for a TPD discharge under the standard total and permanent disability discharge procedures

Veterans Upward Bound

- Veterans Upward Bound Program is designed to assist veterans in the development of academic and other skills needed for success in postsecondary education
- The primary goal of VUB is to increase the rate at which participants enroll in and complete postsecondary education programs

Veterans Upward Bound

- ED awards grants to administer VUB projects to:
 - Institutions of higher education
 - Public and private agencies with experience serving disadvantaged youth
 - Combinations of such organizations
 - In exceptional cases, secondary schools

Veterans Upward Bound

- Veterans Upward Bound projects provide the same types of services as Regular Upward Bound projects, such as:
 - Instruction in core curriculum subject areas
 - Tutoring
 - Mentoring
 - Counseling

Veterans Upward Bound

- Veterans Upward Bound projects also provide:
 - Intensive basic skills development in subjects needed to complete high school equivalency programs and for admission to postsecondary education
 - Short-term remedial or refresher courses for veterans who are high school graduates but have delayed pursuing postsecondary education



Veterans Upward Bound

- Veterans Upward Bound projects assist in securing support services for veterans from other locally available resources such as:
 - Department of Veterans Affairs
 - State veterans agencies
 - Veterans associations
 - Other state and local agencies that serve veterans

Veterans Upward Bound

- Participants in VUB projects must:
 - Meet citizenship/residency requirements
 - Be prospective first-generation college students or low-income individuals
 - Have a need for academic support to pursue postsecondary education
 - Have served on active duty in the Armed Forces for more than 180 days, and were not dishonorably discharged



Department of Education Website for Veterans, Service Members, and their Families



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ED's Website for Military

- ED is developing a website that will provide information for veterans, service members and their families related to:
 - Education
 - ED's Veterans Employment Program
 - Legislative changes that affect the military
 - Collaborative efforts between DoD and ED

ED's Website for Military

- The website is scheduled to go live on ED.gov in November, 2010
- The website will be expanded to include additional information on benefits and programs available to veterans, service members, and their families

Contact Information

Brian Smith

- Phone: (202) 502-7551
- E-mail: Brian.Smith@ed.gov
- Fax: (202) 502-7873

For questions on service member readmission requirements:

Wendy Macias

- Phone: (202) 502-7526
- E-mail: Wendy.Macias@ed.gov
- Fax: (202) 502-7873

Contact Information

For questions on the Department of Education's website for the military:

Len Clark

- Phone: (202) 401-3855
- Email: Len.Clark@ed.gov
- Fax: (202) 401-0434