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AG SLATERY CALLS FOR AUTOMATIC DISCHARGE OF STUDENT LOANS FOR PERMANENTLY DISABLED VETERANS

Nashville, TN- Attorney General Herbert H. Slatery III today joined a group of 51 Attorneys General urging the U.S. Department of Education (DOE) to automatically forgive the student loans of veterans who became totally and permanently disabled in connection with their military service. The bipartisan coalition issued its letter as the country prepares to honor fallen troops on Memorial Day.

Last year DOE identified more than 42,000 veterans as eligible for student loan relief due to a service-related total and permanent disability, the Attorneys General note in their letter to Secretary of Education Betsy DeVos. Fewer than 9,000 of those veterans had applied to have their loans discharged by April 2018, however, and more than 25,000 had student loans in default.

The letter, which was led by New Jersey Attorney General Gurbir S. Grewal and Utah Attorney General Sean Reyes, calls on DOE to develop a process to automatically discharge the student loans of veterans determined by the Department of Veterans Affairs to be eligible for such relief. While the automatic discharge process is in development, the letter proposes, DOE should halt debt collection efforts targeting disabled veterans, and clear their credit reports of any negative reporting related to their student loans.

Under federal law, DOE is required to discharge the federal student loans of veterans determined by the Department of Veterans Affairs to be unemployable (or totally and permanently disabled) due to a service-connected condition. Although DOE currently requires disabled veterans to take affirmative steps to apply for a loan discharge, those steps are not required by law.

The Attorneys General note that the federal government has taken some steps to make it easier for eligible veterans to secure student loan relief. According to their letter, however, an automatic discharge process that gives individual veterans an opportunity to opt out for personal reasons “would eliminate unnecessary paperwork burdens and ensure that all eligible disabled veterans can receive a discharge.”

To read the letter, click here:

<https://www.tn.gov/content/dam/tn/attorneygeneral/documents/pr/2019/pr19-16-letter.pdf>

