Congress of the United States
Washington, DC 20510

February 15, 2018

The Honorable Betsy DeVos
Secretary of Education
400 Maryland Ave., SW
Washington, D.C. 20202

The Honorable David Shulkin
Secretary of Veterans Affairs
810 Vermont Ave., NW
Washington, D.C. 20571

Ms. Nancy A. Berryhill
Acting Commissioner of Social Security
6401 Security Boulevard
Baltimore, MD 21235

Dear Secretary DeVos, Secretary Shulkin, and Acting Commissioner Berryhill,

We write to urge the Department of Education to immediately discharge outstanding federal student loans for totally and permanently disabled Americans, including veterans.

Under the Higher Education Act of 1965, individuals who develop total and permanent disabilities are eligible to have their outstanding federal student loans forgiven. However, until recently, loan discharges were required to be included in the gross income of a borrower, which could possibly result in significant income tax liability. This potential tax liability has prevented the Department of Education from automatically discharging loans for individuals that meet the eligibility criteria for loan forgiveness.

Under the recently enacted Tax Cuts and Jobs Act (H.R. 1), federal student loans that are discharged by the Department of Education due to the death or total and permanent disability of a borrower or the death of a borrower's child are no longer required to be included in the gross income of the borrower. Loan forgiveness in these cases is tax exempt. Now that Congress has removed the potential tax consequence associated with loan forgiveness, the Department should immediately begin discharging student loans for eligible individuals.

Moving quickly in discharging these student loans is especially important given that the Department of Education is well aware of a significant number of Americans who qualify but have yet to receive loan forgiveness. In 2016, the Department of Education and Social Security Administration identified approximately 387,000 borrowers who were eligible for loan forgiveness due to total and permanent disability but had yet to receive it. These borrowers are

collectively still making payments on over $7 billion in outstanding student loans for which they are currently eligible to discharge. These Americans should no longer face costly delays or bureaucratic barriers to receiving a benefit that they are entitled to under law.

We also strongly encourage the Departments of Education and Veterans Affairs to prioritize a data match to identify veterans with service-connected disabilities who may be eligible for discharge of federal student loans. Senators Coons, Portman, and King previously sent the Departments a letter in 2016, which is enclosed, requesting a data match. We are disappointed to learn that the data match has not occurred. Veterans who have served our country with honor and sustained a debilitating service-connected disability are still facing the burden of payments on debt that is eligible to be forgiven. Delaying benefits owed to our veterans due to a lack of coordination among federal agencies is unacceptable. We strongly urge the Departments to take immediate action to conduct a data match and subsequently discharge outstanding federal student loans for all eligible veterans.

We appreciate your attention to this important matter and look forward to receiving an update from you on the steps your Departments are taking to immediately prioritize and address this issue.

Christopher A. Coons
United States Senator

Rob Portman
United States Senator

Angus S. King Jr.
United States Senator

Susan Collins
United States Senator

Tammy Duckworth
United States Senator

Cory Gardner
United States Senator

Ron Kind
Member of Congress

Peter Roskam
Member of Congress