

**Congress of the United States**  
Washington, DC 20510

December 5, 2019

The Honorable Sandra D. Bruce  
Acting Inspector General  
Office of Inspector General  
U.S. Department of Education  
550 12th Street, S.W.  
Washington, D.C. 20202

Dear Acting Inspector General Bruce:

We write with serious concern about the Department of Education's (ED) process to discharge federal student loans for totally and permanently disabled Americans, including veterans.

Under the *Higher Education Act of 1965*, individuals who are totally and permanently disabled (TPD) are eligible to have their outstanding federal student loans forgiven. Under the *Tax Cuts and Jobs Act of 2017*, federal student loans that are discharged due to death or TPD are exempt from federal income tax. ED currently utilizes data provided through matching agreements with the Social Security Administration (SSA) and the Department of Veterans Affairs (VA) to identify disabled federal student loan borrowers who may be eligible for TPD loan discharge. In August 2019, the Trump Administration announced that borrowers identified through VA data would automatically have their loans discharged. Yet borrowers matched with SSA data, including veterans with non-service-connected disabilities, still must submit a discharge application. As we have said before, despite the existing legal benefit for loan discharge and the removal of the federal tax penalty two years ago, many borrowers, in applying for relief, face significant challenges that are both administratively burdensome and unnecessary.

We wrote to ED on a bipartisan basis several times urging the Administration to automatically discharge these federal student loans, including in letters sent on February 15, 2018, and October 9, 2019. Our letter in October cited data provided to our staff by ED that as of March 2019, only 40% of eligible borrowers identified in the SSA match have had their loans discharged. However, according to a *National Public Radio (NPR)* report that aired on December 4, 2019, that is not the case<sup>1</sup>. The investigation found that between March 2016 and September 2019, 555,000 borrowers were identified through the SSA data match as eligible for TPD discharge and were sent a letter in the mail. Ultimately, only 156,000, or 28%, of those borrowers had their loans discharged or are on track for that to happen. These numbers do not include borrowers matched through VA data, information we still have not seen.

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<sup>1</sup> Clare Lombardo, Cory Turner, "Student Loan Borrowers With Disabilities Aren't Getting Help They Were Promised," *National Public Radio*, December 4, 2019.

We are alarmed by the findings in this *NPR* investigation, the reported extremely low rate of loan discharges for eligible borrowers, and the contrast between the *NPR* report and the information previously provided by ED. We are also concerned by ED's lack of transparency with Congress and failure to provide timely, verifiable information. Most importantly, it appears that ED's process for TPD loan discharges is failing to provide student loan relief to hundreds of thousands of Americans, including veterans, who are entitled to this relief under the law. We urge ED's Office of Inspector General to investigate the TPD loan discharge process immediately and answer the following questions:

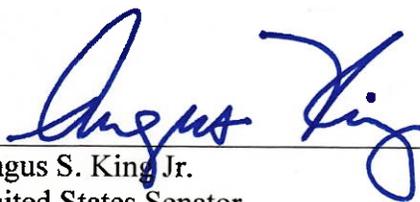
1. How many individuals in total have been identified through ED's data match with the SSA and the VA since March 2016? Please list the numbers for SSA and VA separately.
2. How many of these matched borrowers have received a loan discharge?
3. Of those borrowers who were matched but ultimately did not receive a loan discharge, what are the reasons the discharge did not occur? How many borrowers are associated with each reason, including income monitoring?
4. Why has the Administration rejected bipartisan calls to pursue automatic discharge for Americans with non-service-related disabilities?
5. How can ED improve its data system for the TPD process and ensure this information is communicated with Congress in a transparent and timely manner?
6. What steps does ED need to take to make this process automatic, meaning once a borrower is flagged as eligible, the discharge is not contingent upon administrative work by the borrower at the point of discharge or any point thereafter?

Enclosed are the cited letters from February 15, 2018, and October 9, 2019. We appreciate your attention to this important matter and request a commitment to investigate these questions by December 31, 2019.

Sincerely,



Christopher A. Coons  
United States Senator



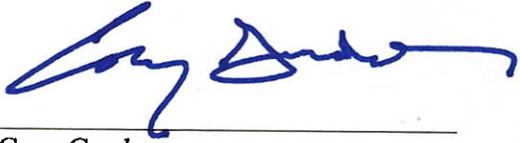
Angus S. King Jr.  
United States Senator



Rob Portman  
United States Senator



Susan M. Collins  
United States Senator



Cory Gardner  
United States Senator



Tammy Duckworth  
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