Ms. Wendy Macias September 20, 2017

U.S. Department of Education

400 Maryland Ave., SW

Room 6C111

Washington, DC 20202.

By e-mail: [Wendy.Macias@ed.gov](mailto:Wendy.Macias@ed.gov)

RE: Docket: ED-2017-OS-0074-0001

Dear Ms. Macias:

Please include the following public comment in Docket # ED-2017-OS-0074-0001:

**PUBLIC COMMENT FROM VETERANS SERVICE ORGANIZATIONS &**

**MILITARY SERVICE ORGANIZATIONS**

As we wrote to you in the attached July 12, 2017, public comment, veterans and military service organizations strongly oppose efforts to roll back student protections at the Education Department.

Instead of undermining the rules that protect students and taxpayers, we urge the Department to strengthen all Department rules and mechanisms that guard against fraud, including borrower defense, gainful employment, program participation agreements, program integrity rules, enforcement of the 90/10 and incentive compensation bans, and cracking down on colleges that manipulate their reporting numbers to evade compliance.

As you know, service members, veterans, and their families and survivors are specifically targeted for fraud and seen “as nothing more than dollar signs in uniform”[[1]](#footnote-1) by unscrupulous colleges. Often, the lowest quality education programs are those that engage in the most consumer fraud of veterans.

The Education Department must do all it can to ensure that American heroes who have served their country are treated with honor and respect when they become college students, and that they can trust the federal government’s stamp of approval that a program is worth their hard-earned GI Bill benefits. The Department should push for higher quality and better gatekeeping.

Sincerely,

Denise Hollywood

Executive Vice President

Air Force Association

Keith A. Reed

Headquarters Executive Director

Air Force Sergeants Association

Nichole King-Campbell

Air Force Women Officers Associated

Michael V. Reilly

Executive Director

American Association of Collegiate Registrars

and Admissions Officers

Joseph Chenelly

Executive Director

AMVETS National Headquarters

Gary E. Hall

National Executive Director

Association of the United States Navy

Kathy Roth-Douquet

CEO

Blue Star Families

Kristina Kaufmann

Executive Director

Code of Support Foundation

Anthony P. Carnevale

Director and Founder

Georgetown University Center on

Education and the Workforce

Lauren Augustine

Director of Government Relations

Got Your 6

Kristofer Goldsmith

President

High Ground Veterans Advocacy

Paul Rieckhoff

Founder & CEO

Iraq & Afghanistan Veterans of America

Peter James Kiernan

President

Ivy League Veterans Council

Paul D. Warner, Ph.D.

National Commander

Jewish War Veterans of the U.S.A.

Mary M. Keller, Ed.D.

President & Chief Executive Officer

Military Child Education Coalition

Lt. Gen. Dana T. Atkins, USAF (Ret.)

President and CEO

Military Officers Association of America

Neil Van Ess

National Commander

Military Order of the Purple Heart

Juliana Mercer

Managing Director

MVPvets

Keith Glindemann

President

National Association of Veterans’ Program Administrators

Joyce Wessel Raezer

Executive Director

National Military Family Association

Jon Ostrowski

Executive Director

Non Commissioned Officers Association

Carl Blake

Associate Executive Director

Paralyzed Veterans of America

Jeffrey E. Phillips

Executive Director

Reserve Officers Association

Jared Lyon

President & CEO

Student Veterans of America

Deirdre Parke Holleman, Esq.

Deirdre Holleman

Washington Executive Director

The Retired Enlisted Association

Bonnie Carroll

President and Founder

Tragedy Assistance Program for Survivors

Ryan Manion

Vice President

Travis Manion Foundation

Randy Reid, USCG (Ret.)

Executive Director

U.S. Coast Guard Chief Petty Officers Association & Enlisted Association

Carrie Wofford

President

Veterans Education Success

Anthony Hardie

Director

Veterans for Common Sense

Christopher Neiweem

Director

VetsFirst, a program of United Spinal Association

Ted Daywalt

President

VetJobs

Robert Muth

Managing Attorney

Veterans Legal Clinic, University of San Diego

Matthew Boulay

Executive Director

Veterans Student Loan Relief Fund

John Rowan

President

Vietnam Veterans of America

René C. Bardorf

Senior Vice President, Government & Community Relations

Wounded Warrior Project

**ATTACHMENT 1**

July 12, 2017

Ms. Wendy Macias

U.S. Department of Education

400 Maryland Ave., SW.

Room 6C111

Washington, DC 20202.

By e-mail: [Wendy.Macias@ed.gov](mailto:Wendy.Macias@ed.gov)

RE: Public Comment: Docket # ED-2017-OPE-0076

Dear Ms. Macias:

Please include the following public comment in Docket # ED-2017-OPE-0076:

**PUBLIC COMMENT FROM VETERANS SERVICE ORGANIZATIONS &**

**MILITARY SERVICE ORGANIZATIONS**

On June 9, 2017, 31 veterans and military organizations wrote the attached [letter](https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5941642ce4fcb583b1563fde/1497457708858/Borrower+Defense+letter.June2016.pdf) to Congress and Secretary DeVos requesting no delay in implementation of the Borrower Defense rule, which offers student loan forgiveness for students who have been defrauded, protects students from forced arbitration, thereby enabling them to seek relief in the courts if they’ve been defrauded, and requires financial responsibility triggers and warnings by colleges.

These protections are important to our organizations because service members, veterans, and their families are specifically targeted for fraud by unscrupulous colleges because of the 90/10 loophole in the Higher Education Act, as has been widely documented. The former head of the Office of Servicemember Affairs at the Consumer Financial Protection Bureau (CFPB), Holly Petraeus, explained that the 90/10 loophole incentivizes predatory colleges “to see service members as nothing more than dollar signs in uniform, and to use aggressive marketing to draw them in.”[[2]](#footnote-2)

As you know, when predatory college recruiters defraud servicemembers, veterans, and their families, they frequently also load the students up with student loans, sometimes without the students’ knowledge. Large numbers of veterans and servicemembers are affected: According to survey data from the Department of Education’s (ED) “Beginning Postsecondary Students” survey, about 37% of veterans who began college in 2012 had student loans as of 2014. Similarly, a 2012 survey by the Financial Industry Regulatory Authority reported that 38% of military service members indicated that their households currently had student loans.

We were disappointed ED’s [announcement](https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-12555.pdf) on June 14, that it plans to revise the Borrower Defense rule. As you undertake a revision, please ensure that defrauded service members, veterans, and their dependents, families, and survivors receive loan forgiveness, and please ensure that the many pending applications at the Education Department are quickly granted relief under the current regulations. Please also maintain defrauded students’ access to the courts and their right to financially sound colleges through the financial responsibility triggers and warnings. To do otherwise would be an affront to those who have served their country.

Often, the lowest quality education programs are those that engage in the most consumer fraud of veterans. We were therefore disappointed by ED’s concomitant [announcement](https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-12555.pdf) that it would revise the Gainful Employment regulation, which enforces the Higher Education Act’s requirement that career education programs receiving federal student aid must “prepare students for gainful employment in a recognized occupation.” The rule requires career education programs at all types of colleges (public, nonprofit, and proprietary) to disclose basic information about program costs and outcomes and prevents funding for programs that consistently leave students with debts they cannot repay. As you know, several federal courts have already upheld the Gainful Employment metric of debt-to-earnings ratio to excise the worst performing programs. Because the rule eliminates funding for consistently failing programs, the Congressional Budget Office estimates that repealing the rule would increase spending by $1.3 billion over 10 years.

Veterans express anger when they discover the federal government knew a program produced lousy student outcomes or was under law enforcement action for defrauding students, but allowed them to waste their time and GI Bill benefits enrolled in it. The Departments of Defense and Veterans Affairs rely on leadership by Education Department in determining which education programs are worthy of federal student aid. Therefore, it is critical that the Education Department ensure programs meet the federal statutory requirement of gainful employment in a recognized occupation.

The Education Department must do all it can to ensure that American heroes who have served their country are treated with honor and respect when they become college students, and that they can trust the federal government’s stamp of approval that a program is worth their hard-earned GI Bill benefits. The Department must take a firm stand against the predatory targeting of those who have served their country.

Thank you for your time and attention.

Sincerely,

Keith A. Reed

Headquarters Senior Director

Air Force Sergeants Association

Nichole King-Campbell

Air Force Women Officers Associated

Joseph Chenelly

Executive Director

AMVETS National Headquarters

Gary E. Hall

National Executive Director

Association of the United States Navy

Kathy Roth-Douquet

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Blue Star Families

Kristina Kaufmann

Executive Director

Code of Support Foundation

John R. Davis

Director, Legislative Programs

Fleet Reserve Association

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1. Consumer Financial Protection Bureau, (2011). “Seeing servicemembers as ‘dollar signs in uniform’”. https://www.consumerfinance.gov/about-us/blog/seeing-servicemembers-as-dollar-signs-in-uniform/ [↑](#footnote-ref-1)
2. Consumer Financial Protection Bureau, (2011). “Seeing servicemembers as ‘dollar signs in uniform’”. https://www.consumerfinance.gov/about-us/blog/seeing-servicemembers-as-dollar-signs-in-uniform/ [↑](#footnote-ref-2)