

Memorandum for the Secretary of Education [and] the Secretary of Veterans Affairs

Since our Founding, the United States has been blessed with men and women willing to serve in defense of our Nation and our ideals. Many of those answering the call to serve make the ultimate sacrifice for their country, and many others carry physical and emotional scars for the rest of their lives.

The Higher Education Act of 1965 [20 U.S.C. 1001 et seq.], as amended by the Higher Education Opportunity Act in 2008 and other acts (Higher Education Act), honors veterans who are totally and permanently disabled as a result of their service to the Nation by providing for the discharge of their Federal student loan debt. Borrowers who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition and who provide documentation of that determination to the Secretary of Education are entitled to the discharge of such debt.

For the last decade, veterans seeking loan discharges have been required to submit an application to the Secretary of Education with proof of their disabilities obtained from the Department of Veterans Affairs. The process has been overly complicated and difficult, and prevented too many of our veterans from receiving the relief for which they are eligible. This has inflicted significant hardship and serious harm on these veterans and has frustrated the intent of the Congress that their Federal student loan debt be discharged.

Only half of the approximately 50,000 totally and permanently disabled veterans who currently qualify for the discharge of their Federal student loan debt have availed themselves of the benefits provided to them by the Higher Education Act. This has created a serious and critical problem for disabled veterans, who must deal with the day-to-day consequences of their service-connected injuries, and for our military, as readiness and recruitment suffer when we do not take care of our veterans. There is a pressing need to quickly and effectively resolve this problem. Therefore, my Administration will take prompt action to ensure that all totally and permanently disabled veterans are able to obtain, with minimal burden, the Federal student loan debt discharges to which they are legally entitled.

Accordingly, by the authority vested in me as President by the Constitution and the laws of the United States of America, and to express the gratitude of our Nation for the service of our totally and permanently disabled veterans, I hereby direct the following:

**SECTION 1. Policy.** It shall be the policy of the Federal Government to facilitate—in a manner that is quick, efficient, and minimally burdensome—the discharge of Federal student loan debt for totally and permanently disabled veterans.

**SEC. 2. Directive to the Secretaries of Education and Veterans Affairs.** (a) The Secretary of Education is hereby directed to develop as soon as practicable a process, consistent with applicable law, to facilitate the swift and effective discharge of the Federal student loan debt of totally and permanently disabled veterans pursuant to section 437 of the Higher Education Act, 20 U.S.C. 1087; section 455 of the Higher Education Act, 20 U.S.C. 1087e; and section 464 of the Higher Education Act, 20 U.S.C. 1087dd. To the maximum extent feasible and consistent with applicable law, the process developed by the Secretary of Education should account for and make use of disability determinations made available to the Secretary of Education by the Department of Veterans Affairs.

(b) The Secretaries of Education and Veterans Affairs (Secretaries) shall take appropriate action to implement the policy set forth in section 1 of this memorandum as expeditiously as possible. To that end, the Secretaries shall consider all pathways for the Department of Veterans Affairs to share disability determinations with the Department of Education, so that veterans may be relieved of the burdensome administrative impediments to Federal student loan debt discharge.

**SEC. 3. Definitions.** As used in this memorandum:

(a) the term “Federal student loan debt” means liability to repay Federal Family Education Loan (FFEL) Program loans, William D. Ford Federal Direct Loan (Direct Loan) Program loans, and Federal Perkins Loans.

(b) the term “discharge” means discharge of FFEL Program loans and Direct Loan Program loans and cancellation of Federal Perkins Loans.

**SEC. 4. General Provisions.** (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) The Secretary of Education is hereby authorized and directed to publish this memorandum in the Federal Register.

DONALD J. TRUMP.

**§ 1087-0. Repealed. Pub. L. 105-244, title IV, § 432, Oct. 7, 1998, 112 Stat. 1710**

Section, Pub. L. 89-329, title IV, § 437A, as added Pub. L. 102-325, title IV, § 429, July 23, 1992, 106 Stat. 552; amended Pub. L. 103-208, § 2(c)(66)-(68), Dec. 20, 1993, 107 Stat. 2469, related to debt management options.

**EFFECTIVE DATE OF REPEAL**

Repeal effective Oct. 1, 1998, except as otherwise provided in Pub. L. 105-244, see section 3 of Pub. L. 105-244, set out as an Effective Date of 1998 Amendment note under section 1001 of this title.

**§ 1087-1. Special allowances**

**(a) Findings**

In order to assure (1) that the limitation on interest payments or other conditions (or both) on loans made or insured under this part, do not impede or threaten to impede the carrying out of the purposes of this part or do not cause the return to holders of loans to be less than equitable, (2) that incentive payments on such loans are paid promptly to eligible lenders, and (3) that appropriate consideration of relative administrative costs and money market conditions is made in setting the quarterly rate of such payments, the Congress finds it necessary to establish an improved method for the determination of the quarterly rate of the special allowances on such loans, and to provide for a thorough, expeditious, and objective examination of alternative methods for the determination of the quarterly rate of such allowances.

**(b) Computation and payment**

**(1) Quarterly payment based on unpaid balance**

A special allowance shall be paid for each of the 3-month periods ending March 31, June 30, September 30, and December 31 of every year and the amount of such allowance paid to any holder with respect to any 3-month period shall be a percentage of the average unpaid balance of principal (not including unearned