

Ms. Wendy Macias  
U.S. Department of Education  
400 Maryland Ave., SW  
Room 6C111  
Washington, DC 20202.

September 20, 2017

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”<sup>1</sup> 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

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<sup>1</sup> 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/>

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

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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](#) 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."<sup>2</sup>

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](#) 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.

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<sup>2</sup> 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/>

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](#) 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  
CEO  
Blue Star Families

Kristina Kaufmann  
Executive Director  
Code of Support Foundation

John R. Davis  
Director, Legislative Programs  
Fleet Reserve Association

Lauren Augustine  
Director of Government Relations  
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Kristopher Goldsmith  
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Carl Singer  
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Mary M. Keller, Ed.D.  
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Lt. Gen. Dana T. Atkins, USAF (Ret.)  
President and CEO  
Military Officers Association of America

Hershel Gober  
National Commander  
Military Order of the Purple Heart

Juliana Mercer  
Managing Director  
MVPVets

Joe Wynn  
President  
National Association for Black Veterans

Joyce Raezer  
Executive Director  
National Military Family Association

Jon Ostrowski  
Director, Government Affairs  
Non Commissioned Officers Association

Carl Blake  
Associate Executive Director  
Paralyzed Veterans of America

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Deirdre Parke Holleman, Esq.  
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Washington Executive Director  
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Robert Muth  
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Randy Reid, USCG (Ret.)  
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