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Congress of the United States
House of Representatives
Washington, DC 20515 - 3006

May 26, 2022

The Honorable Denis McDonough
Secretary of Veterans Affairs
U.S. Department of Veterans Affairs
810 Vermont Ave NW
Washington, D.C., 20420

Dear Secretary McDonough,

Thank you for your dedication to America's veterans and their families. I write to share my alarm over reports of an emerging student debt crisis among our veterans and to urge you to take meaningful steps to address the significant financial challenges our student veterans face.

Since enactment of the Post 9/11 GI Bill, the Veterans Administration has delivered robust and generous education benefits to our Nation's heroes. The implementation of the Post 9/11 GI Bill has provided many veterans with funding for the full cost of attendance at any public university or college in their state. However, I am concerned with the number of student veterans who have found these benefits inadequate to cover important living expenses and have been forced to incur massive debt contrary to program intent.

Two recent studies demonstrate the ongoing financial challenges faced by many student veterans. An analysis done by the Pew Charitable Trusts (Pew) in September of 2021 found that "27% of undergraduate student veterans took out federal or private student loans during the 2015-16 academic year."¹ Following these troubling results, Pew commissioned the Veterans Engaging in Transition Studies (VETS) survey conducted by Penn State's Clearinghouse for Military Family Readiness. The survey found that despite the benefits afforded by the Post 9/11 GI Bill, 58% of student veterans who took a federal or private loan borrowed primarily to cover their living expenses. The most commonly cited expenses were housing costs (21%) and everyday expenses, including groceries and childcare.²³

¹ Oliff, P. (2021, September 13). Veteran Student Loan Debt Draws New Attention. The Pew Charitable Trusts. Retrieved March 2, 2022, from <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/09/13/veteran-student-loan-debt-draws-new-attention>

² Oliff, P. (2022, January 7). Why Veterans With GI Bill Benefits Still Take Out Student Loans. The Pew Charitable Trusts. Retrieved March 2, 2022, from <https://www.pewtrusts.org/en/research-and-analysis/articles/2022/01/07/why-veterans-with-gi-bill-benefits-still-take-out-student-loans>

³ Morgan, N. R., Rudi, J., & McCarthy, K. (2021, December 14). The Veterans Engaging in Transition Studies (VETS) Survey: An Expansion of The Veterans Metrics Initiative (TVMI) Study. Pew Charitable Trusts. Retrieved March 2, 2022, from <https://www.pewtrusts.org/-/media/assets/2022/01/vets-survey-topline-v5.pdf>

Considering these worrying figures, I urge the Department of Veterans Affairs to ensure our Nation's heroes receive the financial and educational support we promised them. Specifically, I ask you to determine how widespread financial hardship and supplemental debt are among the student veteran population and to determine their root causes. I also urge the Department to determine how much of this student veteran debt is being held by predatory lenders, to bolster awareness campaigns to help inform our veterans of all their benefits, and to look at other financial planning tools that can help veterans make smart lending decisions.

As outlined above, please provide answers to the following questions.

1. How many veterans use the full Post 9/11 GI Bill educational benefits that are available to them, and what is the average value of these benefits?
2. Does the Department know how much student veteran debt is owned by the federal government and how much is owned by the private sector? If so, which private entities hold this debt, including known predatory lenders, and what is the percentage of total debt that they own?
3. Has the Department of Veterans Affairs recently assessed its informational awareness campaigns to ensure veterans know about their benefits?

After faithfully serving the Nation, our veterans deserve an affordable education, which is why I applaud the Department's work in implementing the Forever GI Bill to expand these benefits. I look forward to your response and working with you to ensure that veterans can access the benefits that they deserve. We must do everything in our power to prevent a generation of veterans from becoming beholden to a lifetime of student debt.

Once again, thank you for your ongoing commitment to our Nation's veterans and your steadfast implementation of GI benefits across the country.

Sincerely,

A handwritten signature in blue ink that reads "Frank Pallone, Jr." in a cursive script.

FRANK PALLONE, JR.
Member of Congress