

Displaced Student Service Officer Information Guide 1.0

Executive Summary

On Sept. 6, 2016, ITT Tech announced plans to close the doors on all 130 of its campuses across the country. According to the Department of Veterans Affairs, more than 6,000 veterans draw GI Bill benefits attending ITT Tech schools. This announcement raises concerns for The American Legion and, along with that, questions about how to help student-veterans make the transition to new institutions of higher education and understand the impact of such closures on their GI Bill benefits.

If a veteran does not transfer to another institution within a month of a school's closure, the GI Bill Basic Allowance for Housing will be forfeited, potentially impacting the veteran's housing situation. Additionally, many veterans have accrued federal student loans while attending ITT Tech, and other schools may be at risk of imminent shut-downs.

VA is concerned that it does not have the capacity to counsel these veterans on critical information concerning their education options in the event of an institution's unexpected closure. As a result, VA has reached out to The American Legion and Student Veterans of America to help raise awareness of options available to students displaced or otherwise affected by a school's abrupt or imminent closure.

The American Legion will support VA's efforts by providing its accredited Service Officers with school transfer and loan information that can be shared with affected veterans. Once this information has been disseminated, VA will refer veterans with inquiries to their local service officers in their states.

This information guide is a reference for Department Service Officers who receive calls from students affected by these abrupt school shutdowns.

Situation Overview

The Problem:

- VA doesn't currently have the staffing in place to inform individual student-veterans about their education options. VA will address student-veteran questions concerning their GI Bill benefits, all of which should be directed to the GI Bill Hotline - **(888) 442-4551**. Hours of operation for the hotline are 7 a.m. – 6 p.m. (Central Time), Monday through Friday.
- Based on U.S. statute, VA cannot provide education benefit reimbursement for ITT Tech. Consequently, The American Legion supports S. 2921, "Veterans First Act," to recoup four months of lost GI Bill benefits for affected veterans. Additionally, The American Legion is currently preparing draft legislation to recoup the entirety of lost GI Bill benefits for those student-veterans affected by such unexpected closures.

What You Can Do:

- Direct the student-veteran to available online education resources.
- Any questions or concerns, contact, John Kamin, Assistant Director, American Legion National Veterans Employment & Education Division at jkamin@legion.org.

What We Can't Do:

- Refer or enroll a student-veteran into a particular school
- Assist student-veterans in filling out applications
- Provide legal counsel
- Blame the VA -- VA is only following the law, and we are working with the department to address problems they can't address

Information Needed from Student Veterans

Recommended Questions:

- Name
- Contact Information (email, phone)
- Zip Code of Residency
- ITT School Attended
- Major/Course of Study

- Amount of Credits Earned
- Student Loan Amount (*Critical*)

Advising on Federal Loan Discharges

Per the guidance of the Department of Education's Office of Federal Student Aid (<https://studentaid.ed.gov/sa>), federal loans eligible for discharge are:

- Direct Loans
- Federal Family Education Loan (FFEL) Program loans
- Federal Perkins Loans

Specific to the ITT Tech closures, students are eligible to apply for loan discharge if:

- They were enrolled at ITT on Sept. 6, 2016.
- They were on an approved leave of absence from ITT on Sept. 6, 2016.
- They were a student at ITT who withdrew, without completing your program, anytime between May 9, 2016 and Sept. 5, 2016.

If a student applies for a discharge and is approved, this means:

- The student doesn't have to pay back the loan and will get money back if loan payments were made voluntarily or through forced collection.
- The student's loan discharge will be reported to credit bureaus, and any negative credit impact of the loan will be removed.

Keep in mind that if an ITT Tech federal student loan is discharged, the student CANNOT:

- Transfer ITT credits to another school.
- Get a diploma or degree for work completed at ITT.

Follow these steps to apply for a federal student loan discharge:

1. Make sure you have an eligible federal loan by going to the federal student aid website (<https://studentaid.ed.gov/sa>) or calling **1-800-4-FED-AID (1-800-433-3243)**; TTY for the hearing impaired **1-800-730-8913**.
2. Identify which federal loan lender is servicing your loan.
3. Download and complete a loan discharge application from: bit.ly/1O05616 (case-sensitive)
4. Call your lender with the form ready, and explain that you want to apply for a Closed School Loan Discharge.

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5. Follow your lender's instructions for submitting the form. If you are asked to mail the form, make sure you send it certified mail and get a receipt.

Questions to Expect

1. How do I get my transcript from ITT Tech?

In accordance with ITT instructions, visit www.parchment.com/ITT to place an order for transcripts.

2. Can I have my student loans forgiven?

Students have the option to apply for loan forgiveness if they haven't transferred their credits to other educational institutions, but the Department of Education will discharge the loans because ITT is closed. If you have federal student loans at ITT, you may want to get your loans discharged. If you decide you want a "closed school discharge," please understand that you may not be able to prevent a break in your housing allowance – unless you transfer to a program that is not "a comparable program at another school" (i.e., if you transfer to a totally different program at a new school, then you'd be still eligible for the "closed school discharge"). Be aware that most private loans cannot be forgiven (discharged), but you should check the specific promissory note you signed when taking out the loan.

Additional information about student loan forgiveness can be found here:

<https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/closed-school>

Shortened URL: bit.ly/2ceTJ3L (case-sensitive)

The Department of Education has not shared how long the process will take for loan forgiveness to be approved. However, historically, the processing time is relatively quick. With the Corinthian school shutdowns of 2015, the average was less than 3 months of processing time.

3. What schools should I apply to?

The American Legion is not a college recruiter and does not advise veterans where they should use their GI Bill benefits. However, many institutions have designated a point-of-contact to counsel ITT students on credit transferability and students can access this list at: che.gg/2csU1SD (case sensitive).

If a veteran makes the decision to transfer to a school and has debt, the National Association of Student Financial Aid Administrators has education counselors on hand to help. Visit the website www.nextstepsedu.org to complete an application to connect with an advisor.

For information about licensed institutions with similar programs in your area, review the closure information that ITT posted on its website (<http://itt-tech.info>) or use the Department of

Education's College Scorecard (<https://collegescorecard.ed.gov>, must enter full address) to explore transfer option and find the right program.

4. Who accredits the college/university?

A school must be accredited by the Department of Education (ED) before students can use federal student aid, such as Pell Grants, student loans or GI Bill benefits, at the institution. Accreditation demonstrates that the college or university meets widely accepted basic standards of quality in education and training.

It is important to make sure that any school under consideration is accredited by an accrediting agency that is recognized by ED. Some schools advertise that they are accredited but do not indicate the source. Be aware that there are unrecognized accrediting agencies and that some schools may claim to be accredited by these organizations.

The quickest and easiest way to verify whether an accrediting agency is recognized by the Department of Education is to search the department's list of recognized accreditors: http://www2.ed.gov/admins/finaid/accred/accreditation_pg6.html. If an accreditor is not on this list, it is not authorized for federal student aid or GI Bill payments.

Please note that one accreditor - the Accrediting Council for Independent Colleges and Schools (ACICS) - is currently awaiting a Department of Education decision that would revoke its recognition as an accreditor (see: bit.ly/295kq7z). If ACICS loses its approval, GI Bill benefits cannot be used at any school accredited by this agency, and students who are enrolled at the institution will be forced to transfer.

5. What financial aid is available?

To use GI Bill benefits, veterans must confirm the school is eligible to accept them. Unfortunately, when an institution closes, student-veterans using GI Bill benefits are unable to get the benefits already used reinstated, and may have to look to other forms of financial aid to complete their degree programs. In addition to federal aid such as Pell Grants and federal student loans, many institutions have institutional grants and financial aid available.

6. What is the institution's transfer of credit policy?

Each institution has its own policies and procedures related to the acceptance of credit earned at other institutions. While some institutions will not accept any transfer credits, others may accept some or all of them. Also, policies may vary depending on the type of accreditation held by the institution where the credit was earned. For example, a regionally accredited institution may not accept credit earned at a nationally accredited institution. Talking to a number of schools and learning about their credit transfer policies will help inform a veteran's decision when it comes to choosing an institution.

7. Can I change my academic program?

If a veteran wishes to start a new education program, then applying for a federal student loan discharge makes sense. The credits won't transfer, but the new program can begin without federal

student loan debt. Please note: many schools offer alternative ways to get credit, such as taking tests that demonstrate competencies and skills the veteran already has. For example, Western Governor's University is an accredited online university that uses a competency model. This means students often don't have to take classes for subjects already learned if they can pass tests specific to those areas.

8. Will the institution do a pre-audit of transcripts prior to enrolling?

If the institution has a policy to award credits from other institutions, or for prior military training and/or other prior learning, students can ask if they will pre-audit transcripts to see how many credits are likely to transfer over and whether the credits will fulfill degree requirements. Some schools will accept credits, but they may not count toward degree requirements. This should be carefully considered in the process of choosing an institution. It may be more cost-effective to enroll at a school that accepts fewer credits if those credits count toward a degree, rather than enroll at a school that accepts more credits but does not apply them toward specific degree requirements. Questions should be specific, and clear, definitive answers should be expected.

9. What types of support services are available for military-connected students?

Institutions offer a variety of programs and services for their military-connected students. Depending on specific needs and expectations, some of the following questions might be helpful to ask:

- Does the institution have a primary point of contact for military-connected students?
- Is there a veteran student organization on campus?
- What types of activities are available for military-connected students?
- Who is the person doing the certification of enrollment for GI Bill benefits?
- What types of tutoring are available?
- What are some ways you can get involved on campus?

10. Will I still be able to complete a degree or certificate in my current field of study?

Prior to choosing an institution, it is important to verify that the institution offers a program in the chosen field of study. Also, it is helpful to identify long-term career goals and qualifications and levels of education required to accomplish those goals. Veterans who want to be auto mechanics for a specific companies, for instance, should verify what training that company will consider when hiring. For example, Harley Davidson will only hire those who have been trained through its own corporate training program.

References

Casework clarification, referrals and inquiries: National Veterans Employment & Education Division – John Kamin, Assistant Director, email: jkamin@legion.org