

# STUDENT LOAN RELIEF

By Col. Joseph H. Doyle

**B**etween weekend drills and active duty tours, life goes on for our citizen-soldiers who make up the military Reserve components. When they are mobilized for any extended time, however, military reservists are impacted in a variety of ways. A preplanned deployment to Egypt or Bosnia is much different from the unscheduled and unexpected call-up to active duty that occurred after the September 11 terrorist attacks. Education, a cornerstone for advancement for both military personnel and civilians, is among the first areas of a person's life to be affected in a deployment. The financial impact on a soldier who is "pulled" out of class in the middle of a semester can be immense.

Luckily, the U.S. Department of Education (DOE) had the foresight to take immediate action after the attacks, providing relief to affected active and reserve components. On September 24, 2001, the DOE granted loan relief to military personnel called to active duty and, in the same announcement, asked colleges and universities to refund current tuition and charges to affected service members. The DOE also directed lenders and colleges and universities to provide such students with relief from their student loan obligations. "The young men and women who serve our country have an enormous job to do in the coming months," said Secretary of Education Rod Paige. "The actions we are taking . . . will ease their financial burdens as they defend our country in these challenging times."

The policy actions apply to members of the National Guard and the Ready Reserves of the Armed Forces who have been called to active duty; it covers student loans made under the Federal Family Education Loan, William D. Ford Loan, and Federal Perkins Loan programs. Under the DOE guidance, lenders will automatically postpone the student loan payments of borrowers during the borrower's active duty service. Borrowers with subsidized student loans will be eligible to have the federal government assume interest payments on their loans while they are on military duty.

For military personnel called to active duty whose loans are not yet in repayment—because they are currently students or only recently left school and are still in a grace period—the DOE directed lenders to hold the loans in "current deferment" status. Borrowers will not be required

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to make payments to their lenders during the term of their military service and for a reasonable amount of additional time after the borrower returns to school. In addition, because borrowers generally receive a six- to nine-month grace period after leaving school, the directive ensures that students will not lose this grace period as a result of their service.

These provisions apply to active duty soldiers who were enrolled at the time of the attack and whose duties now preclude their attendance in school. The DOE has made no distinction among U.S. Code provisions under which the military member was called to active duty. As an example, a member of the National Guard activated by the governor of a state under Title 32, for airport security, receives the same protections as a member of the U.S. Army Reserve activated under Title 10. In contrast, this distinction is extremely important in determining whether the protections of the Soldiers' and Sailors' Civil Relief Act apply.

In additional guidance, the DOE strongly encouraged colleges and universities to provide either a full refund of tuition and other institutional charges or comparable credit to students forced to withdraw from school due to military obligations. It urged schools to offer flexible reenrollment options to affected military, as well as to other students who were forced to withdraw from school as a result of the terrorist attacks.

"Many people's families and livelihoods have been dramatically changed by recent events," Secretary Paige said. "I hope the nation's colleges and universities will give people time and flexibility to return to their normal routines and activities, just as I hope they work with the Department to help our military reservists make the transition to active duty."

The DOE's actions also relax requirements that schools return federal financial aid to the government when a student aid recipient withdraws from school. As a result, students who withdrew because they were called to active duty, were otherwise affected by the military mobilization, or withdrew as a direct result of the terrorist attacks are not required to return financial aid already received to help with purchasing textbooks and with living expenses.

Legal assistance practitioners, soldiers and their families, and borrowers who have questions about this or other guidance issued by the DOE can call 800/4FEDAID (800/433-3243) for further information. The counselors are knowledgeable and eager to help. A copy of the guidance letter, "U.S. Education Department Grants Loan Relief to Military Personnel Recalled to Active Duty," is available at <http://ifap.ed.gov>. (Click "SFA Guidance Relating to Terrorist Attacks.")