



VA Debt Management Center (DMC)

School Certifying Official Training

Learning Objectives

Upon completion of this module, you should be able to:



1. Provide an overview of DMC
2. Assess why/how debts are established
3. Define collection processes
4. List options to resolve a debt
5. Define risks of non-payment
6. Formulate responses to debt questions

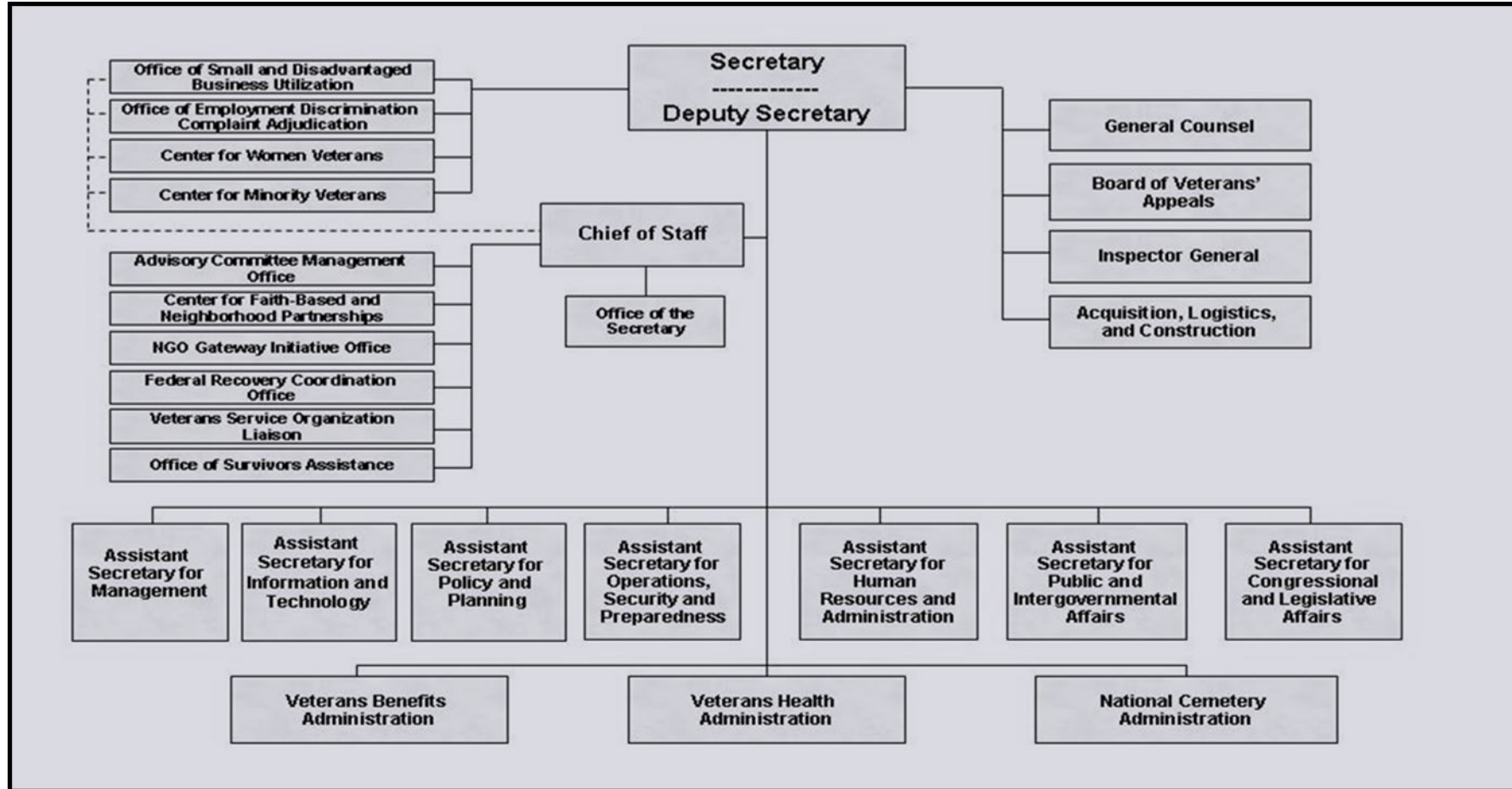
DMC Overview

- 1 DMC is a franchise fund aligned with VA's Office of Finance (OF) within the Office of Management (OM)
- 2 DMC's staff of approximately 300 employees works to service VA benefit debts, counsel Veterans on options and outcomes, and offer resolutions for each unique situation.
- 3 DMC provides accounts receivable services to VBA, VHA, NCA
- 4 The DMC collection services collects approximately \$1.7 billion annually

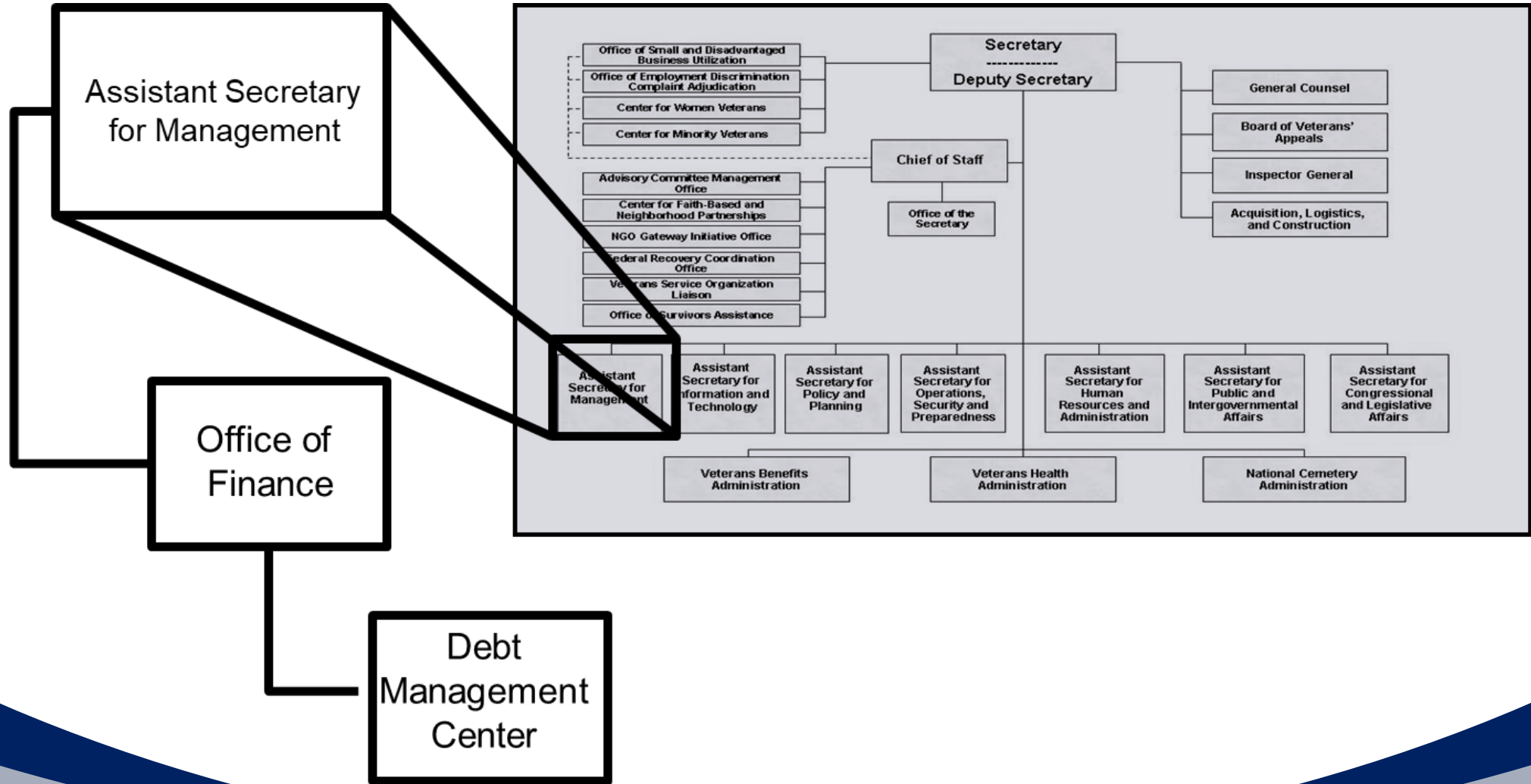
DMC Mission:

Provide distinctive, high quality accounts receivable services through a compassionate and value-added approach, empowering our stakeholders to focus on core missions.

Organization Chart



Organization Chart



KNOWLEDGE CHECK

DMC provides accounts receivable services to

- a. VBA**
- b. VHA**
- c. NCA**
- d. All the above**



KNOWLEDGE CHECK

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- a. VBA**
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- d. All the above**

Debt Establishment



SCO Certifies Student

- Communicates with student about certification process

RPO Processes Certifications

- Evaluates entitlement
- Issues payments and establishes debts
- Sends a letter when payments are issued or debt created

DMC Collects Debts

- Sends collection letters for debts
- Processes collection actions



Debt Establishment - Institutions



January 4, 2021 and Previous

1. Student never attended
2. Student completely withdraws on or before the first day of the term
3. Student passed away during or before the term
4. School received payment for the wrong student
5. School received a duplicate payment
6. Amended certification with reduced tuition, fees and/or Yellow Ribbon
7. Payment issued for wrong amount

January 5, 2021 and Forward

Schools are financially responsible for benefits paid under the Post 9/11 GI Bill:

1. Tuition and fees
2. Yellow Ribbon Program.

Debt Establishment- Students



January 4, 2021 and Previous

1. Books and Supplies
2. Housing Stipend
3. Tuition and fees
 - Withdrawals during the term
 - Reductions
 - Terminations

January 5, 2021 and Forward

1. Books and Supplies
2. Housing Stipend



Section 1019 -Debts Requiring Conversion



- Education Regional Processing Offices (RPOs) will do the conversions from student to institution debt, for debts created on or after January 5, 2021
 - Debts created on or before January 4, 2021 will not be changed
- After conversion, normal Debt Management Center (DMC) processes will apply
 - Debt letters from DMC to the school
 - Debts will show on debt lists requested by facility code

Other Section 1019 Reminders



- Institutions should not attempt to submit payment, until they have been notified through DMC letter that the debt is established for the institution/school
- Collection on student debts is currently paused
 - COVID relief for students with debts created after April 6, 2020 has been extended until September 30, 2021

KNOWLEDGE CHECK

What is the effective date of the law requiring schools to be financially responsible for benefits paid under the Post-9/11 GI Bill for tuition and fees and/or the Yellow Ribbon program?

- a. January 5, 2021**
- b. August 1, 2021**
- c. January 5, 2022**
- d. None of the above**



KNOWLEDGE CHECK

What is the effective date of the law requiring schools to be financially responsible for benefits paid under the Post-9/11 GI Bill for tuition and fees and/or the Yellow Ribbon program.

- a. January 5, 2021
- b. August 1, 2021
- c. January 5, 2022
- d. None of the above



KNOWLEDGE CHECK

Students will no longer have any debts due to the new law effective January 5, 2021.

- a. True**
- b. False**

KNOWLEDGE CHECK

Students will no longer have any debts due to the new law effective January 5, 2021.

- a. True
- b. **False**



Federal Debt Collection Laws



- **The Debt Collection Act of 1982**
 - Authority for collection by administrative offset
- **The Debt Collection Improvement Act (DCIA) of 1996**
 - Agencies required to refer delinquent non-tax debts to the Department of Treasury at 180 days
- **Digital Accountability and Transparency Act (DATA) of 2014**
 - Changed referral requirement for delinquent non-tax debts from 180 days to 120 days



KNOWLEDGE CHECK

What act provides the authority to collect debt by administrative offset?

- a. The Digital Accountability and Transparency Act of 2014**
- b. The Debt Collection Improvement Act of 1996**
- c. The Debt Collection Act of 1982**
- d. The Harry W. Colmery Education Assistance Act of 2017**



KNOWLEDGE CHECK

What act provides the authority to collect debt by administrative offset?

- a. The Digital Accountability and Transparency Act of 2014**
- b. The Debt Collection Improvement Act of 1996**

c. The Debt Collection Act of 1982

- a. The Harry W. Colmery Education Assistance Act of 2017**

COVID-19 Relief



- COVID relief for students with debts created after April 6, 2020 has been extended until September 30, 2021**
- Institutions (schools) continue to receive the normal series of debt letters**
- No referral to Credit Reporting Agencies or Credit Alert Interactive Voice Response System (CAIVRS). CAIVRS alerts lenders of VA debt and impacts federal home loan underwriting**
- All collection action on VA debts under the jurisdiction of the U.S. Department of the Treasury is suspended until September 30, 2021**

COVID-19 Relief



Options for Veterans with pre-existing debts (created before April 6, 2020) who are experiencing financial hardship due to COVID-19:

- **Pause benefit offset or payments due until October 1, 2021**
- **Extend repayment plan terms**

Outreach and Updates



- VSO, SCO and Veteran emails
- VA texts and social media
- Borne the Battle Podcast
- Press releases



New Debt Portal for Veterans



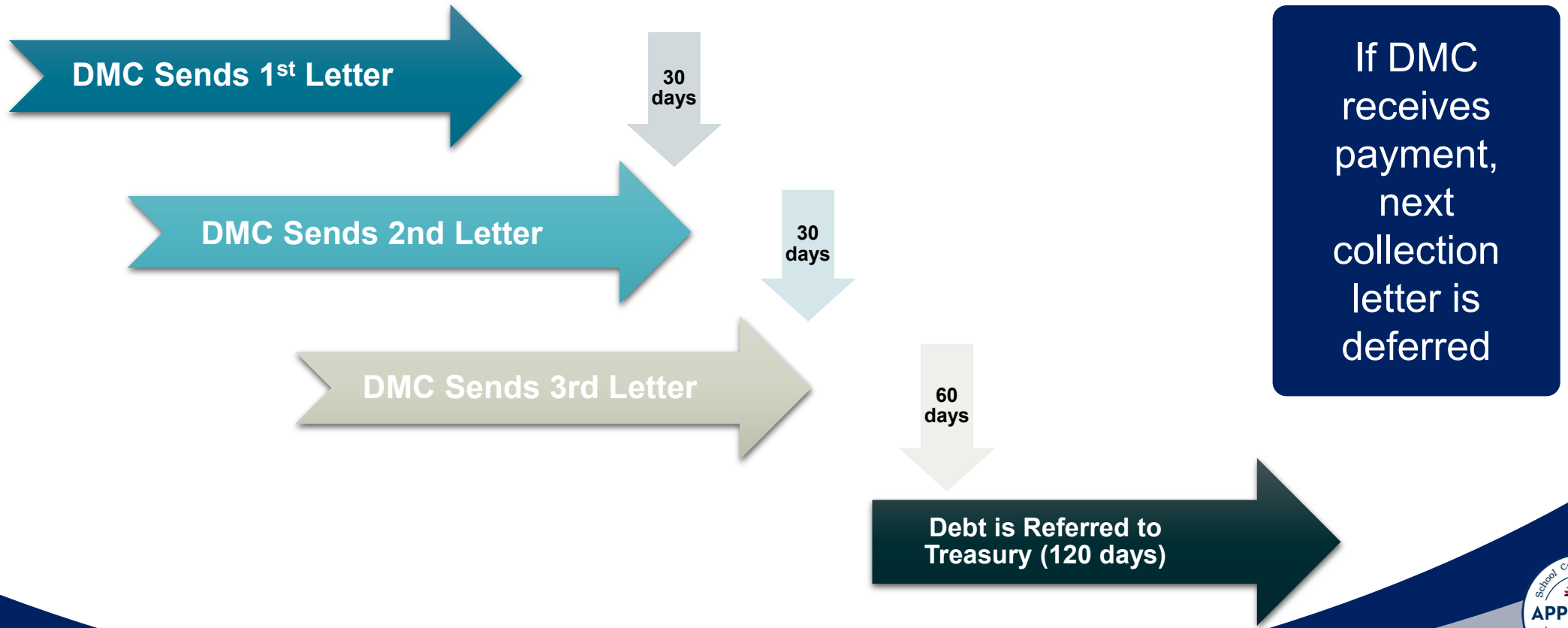
- ❑ Debt Portal: <https://www.va.gov/manage-va-debt/>
 - Veterans can log in to view balances and DMC letters
 - FAQ's
 - More enhancements to come

- ❑ DMC website: <https://www.va.gov/debtman> is still operational

Collection Process





DMC sends Notice of Indebtedness letters, monitors accounts, and advises debtor of any delinquency, including the requirement to refer their account to Treasury



Notification Letters




DEPARTMENT OF VETERANS AFFAIRS
Debt Management Center
Bishop Henry Whipple Federal Building
P.O. Box 11930
St. Paul, MN 55111-0930

SEPTEMBER 4, 2015

000000001 I=0000
11 SP 0.485



File Number: 0
Payee Number: 0
Person Entitled: 7
Deduction Code: 75
E-Mail Address: dmc
(Please provide the information on any e-mail correspondence)

The Department of Veterans Affairs recently notified you that education benefits were due to non-entitlement. Since the funds for this enrollment were sent directly to the bank, you are asked to return these funds.

Student Name: _____ Facility: _____ Amt: \$ _____
Term Dates(s): 08/31/2015-09/27/2015 08/03/2015-08/30/2015


WHAT ARE YOUR RIGHTS?
You have the right to contest either the existence or amount of the debt. Your request should be submitted in writing and should explain why you are contesting the debt. You have the right to inspect and copy VA records associated with the debt. You have an opportunity for a hearing before the Agency of the decision related to the establishment of the debt.

WHAT WILL HAPPEN IF YOU IGNORE THIS NOTICE?
If the debt remains unpaid, your account could be referred to the Department of the Treasury for offset under the Treasury Offset Program. If the debt is scheduled for referral to Treasury and we hear from you within 30 days of the referral notice, exercising one of the rights described above, we will suspend referral until the issue has been addressed.

WHERE DO YOU CALL IF YOU HAVE QUESTIONS?
If you have questions regarding payment of the debt, you should contact the VA Debt Management Center at 1-800-827-0648. Payment options are described on the back of this letter. Our office hours are 7:30 AM to 6:00 PM Central Time. Please note that we experience our highest call volumes on Mondays and throughout the first week of each month. By avoiding these peak times, you will minimize your wait time. Your call may be monitored to ensure quality information. You can also contact us via e-mail at dmc.edu.vbaspl@va.gov. If you have questions regarding specific Veterans or their dependents, please submit a separate inquiry for each.

6.328 06 010770-001-017000000 0000001 1000000

FOR PROPER CREDIT TO YOUR ACCOUNT, PLEASE DETACH AND RETURN WITH YOUR PAYMENT

 Department of Veterans Affairs 2015247 PAYMENT REMITTANCE

* FILE NO.		AMOUNT ENCLOSED	ENTER YOUR CURRENT ADDRESS BELOW ONLY IF THE ONE ABOVE IS INCORRECT. PLEASE INCLUDE YOUR ZIP CODE.
PAYEE NO.	00	\$	
PERSON ENTITLED		YOUR TELEPHONE NO. (Include Area Code)	
DEDUCTION CODE	75		

* Please include this number on your check or money order.
FI 4-96R, Jul 2015

File Number:

Payee Number:

Person Entitled:

Deduction Code:

E-Mail Address: dmc.edu.vbaspl@va.gov

(Please provide the information above on any e-mail correspondence)

KNOWLEDGE CHECK

When does DMC refer a debt to the Department of Treasury?

- a. 30 days after the third letter is sent**
- b. 60 days after the third letter is sent**
- c. 90 days after the third letter is sent**
- d. 120 days after the third letter is sent**

KNOWLEDGE CHECK

When does DMC refer a debt to the Department of Treasury?

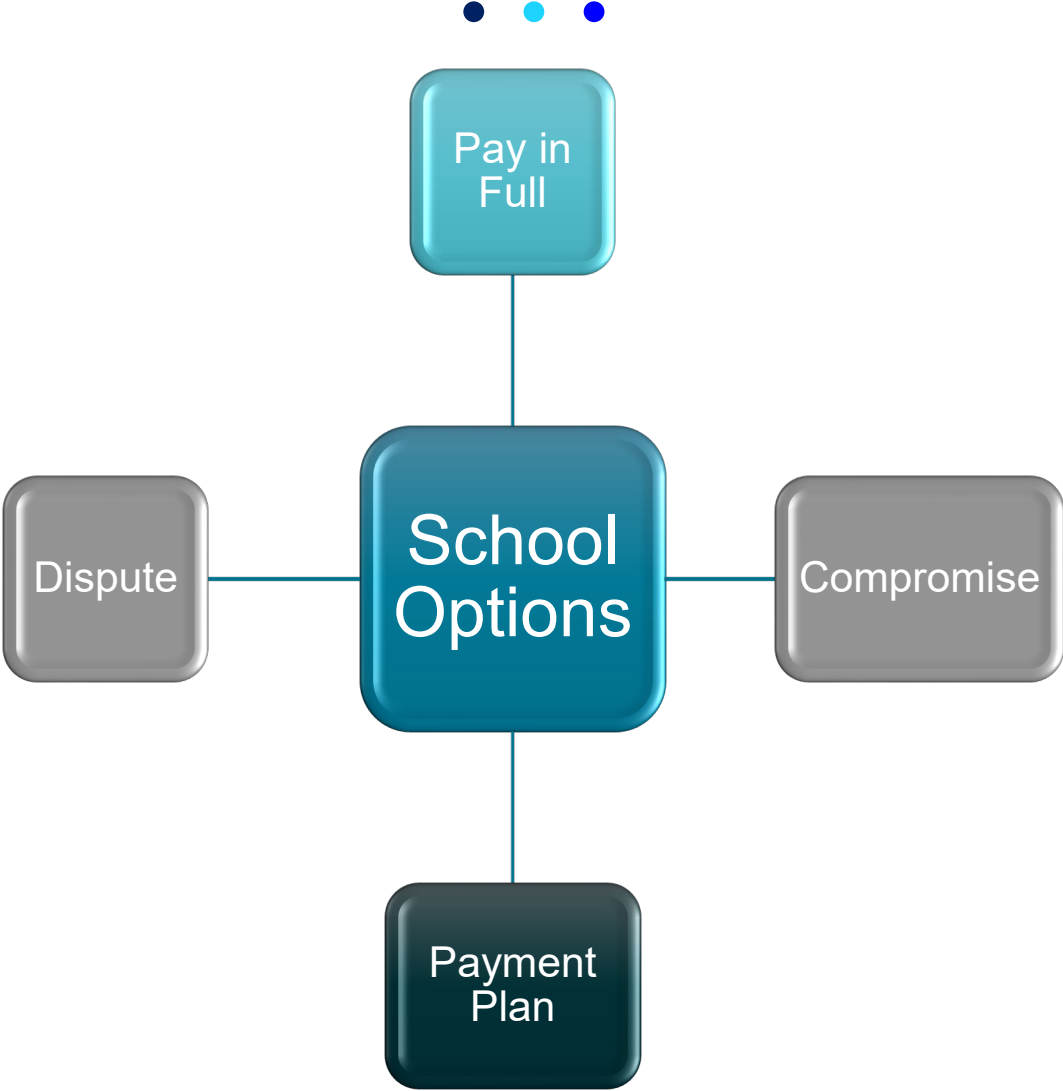
a. 30 days after the third letter is sent

b. **60 days after the third letter is sent**

a. 90 days after the third letter is sent

b. 120 days after the third letter is sent

School Options



Tips for School Inquiries



When emailing disputes and inquiries, please include:

- One email per student
 - First initial, middle initial, last name
 - Last four of SSN
- School name and facility code
- Debt amount
- Supporting details (front and back of cashed check, when was updated certification sent, etc.)



KNOWLEDGE CHECK

Which of the following is not an option for schools regarding a debt?

- a. Pay in full**
- b. Compromise**
- c. Request a waiver of the debt**
- d. Dispute the debt**

KNOWLEDGE CHECK

Which of the following is not an option for schools regarding a debt?

- a. Pay in full
- b. Compromise
- c. **Request a waiver of the debt**
- a. Dispute the debt



KNOWLEDGE CHECK

When the debt is not paid in full, how many students per email should the school send to DMC?

- a. 1 student per email**
- b. 5 students per email**
- c. 10 students per email**
- d. 20 students per email**



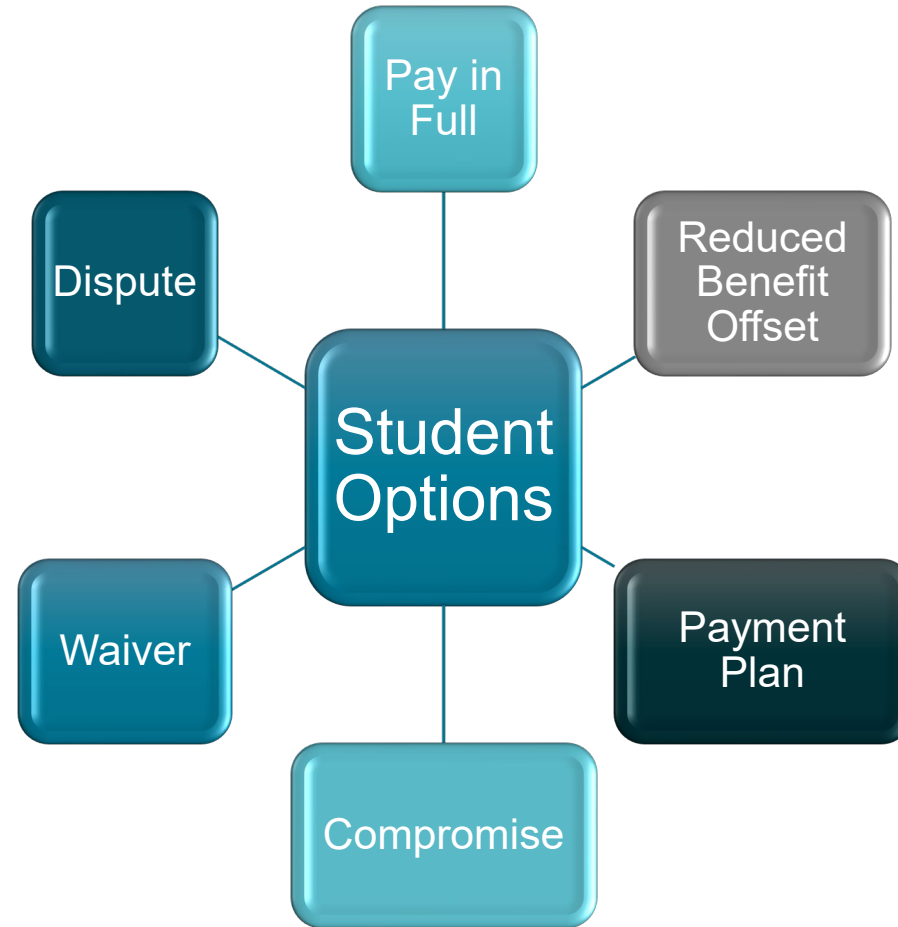
KNOWLEDGE CHECK

When the debt is not paid in full, how many students per email should the school send to DMC?

- a. **1 student per email**
- b. 5 students per email
- c. 10 students per email
- d. 20 students per email



Student Options



KNOWLEDGE CHECK

What actions can a student take if he or she incurs a debt

- a. Pay in full**
- b. Request a waiver of the debt**
- c. Compromise**
- d. Set up a payment plan**
- e. All of the above**



KNOWLEDGE CHECK

What actions can a student take if he or she incurs a debt

- a. Pay in full
- b. Request a waiver of the debt
- c. Compromise
- d. Set up a payment plan
- e. **All the above**



How to Pay a Debt



- Pay by check: mail the check, payment coupon(s) and/or letter to:
VA Debt Management Center
Bishop Henry Whipple Federal Building
P.O. Box 11930
St. Paul, MN 55111-0930
- Pay online: www.pay.va.gov
- Check SCO handbook for other options
- Payments from schools for student debts must include either:
 1. The remittance stub for the student debt (preferred)
 2. A letter specifically stating the school wants to pay the student debt





Toolbox



Debt Management Center



U.S. Department of Veterans Affairs

Treasury Overview Debt Collection Tools



Treasury has two main programs for student and school debt collection

Treasury Offset Program (TOP)

- Federal grants
- Social Security
- Civilian pay
- Military retirement

Cross-Servicing (CS)

- Private Collections Agencies (PCA)
- Telephone collections
- Administrative Wage Garnishment (AWG)



How to Contact TOP



**Schools may contact TOP by calling the TOP Call Center:
1-800-304-3107**

In order to provide you with information about an offset, Treasury will need to know:

- The caller's name, department and job title. The job title will need to indicate a need-to-know position.
- At least one of the following:
 - date of the payment
 - amount of the original payment
 - amount of the offset



KNOWLEDGE CHECK

What are the two main programs used by the Department of Treasury to collect school and student debts?

- a. TOP and CRA**
- b. CAIVRS and DMC**
- c. TOP and CS**
- d. None of the above**



KNOWLEDGE CHECK

What are the two main programs used by the Department of Treasury to collect school and student debts?

- a. TOP and CRA
- b. CAIVRS and DMC
- c. **TOP and CS**
- d. None of the above



Become a Debt Superstar (Contact DMC)



www.va.gov/debtman

800-827-0648

dmcedu.vbaspl@va.gov

(Schools only)

<https://iris.custhelp.va.gov/app/ask/>

<https://www.va.gov/manage-va-debt/>

Veteran Debt Portal



Issue Not Getting Resolved?



- Julie Lawrence – Chief Education and External Relations
Julie.Lawrence@va.gov
- Nicole Haselberger – Assistant Chief Education and External Relations
Nicole.Haselberger@va.gov
- Tami Dorle – Supervisory Financial Administrative Specialist
Tamara.Dorle@va.gov
- Gary Greenwood – Management Analyst
Gary.Greenwood2@va.gov



Summary

You should now be able to:



1. Provide an overview of DMC
2. Assess why/how debts are established
3. Define the collection processes
4. List options to resolve a debt
5. Define risks of non-payment
6. Formulate responses to debt questions

DMC Presentation Survey



DMC values your time and feedback on our presentation. We would appreciate it if you're able to complete the survey below.

<https://www.surveymonkey.com/r/DMCSCO>

How to Self-Certify

1. Click on the URL or copy and paste it in your web browser.
<https://vba-tpss.vbatraining.org/assess/trkSignIn?refid=XSCO>
2. Enter your email address and eight (8) digit facility code and click Next
(If you do not have a user profile, click New User Account and follow the steps to set up your profile.)
3. Scroll down and click the Conference/Workshop/Virtual Training tab
4. Select the applicable training session from the list of topics that appears on the right side of the screen by clicking Begin
5. To enter Conference/Workshop/Virtual Training Title: Click the dropdown arrow and select SCO Virtual Training Session and click Submit
6. Enter the start date and the end date
7. Enter your Facility Name, City and State (Main Campus) and click Submit
8. Certify your attendance by clicking Agree and then submit.
9. Print your training certificate and keep for your records