



VA Debt Management Center (DMC)

School Certifying Official Training

Updated June 2022

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

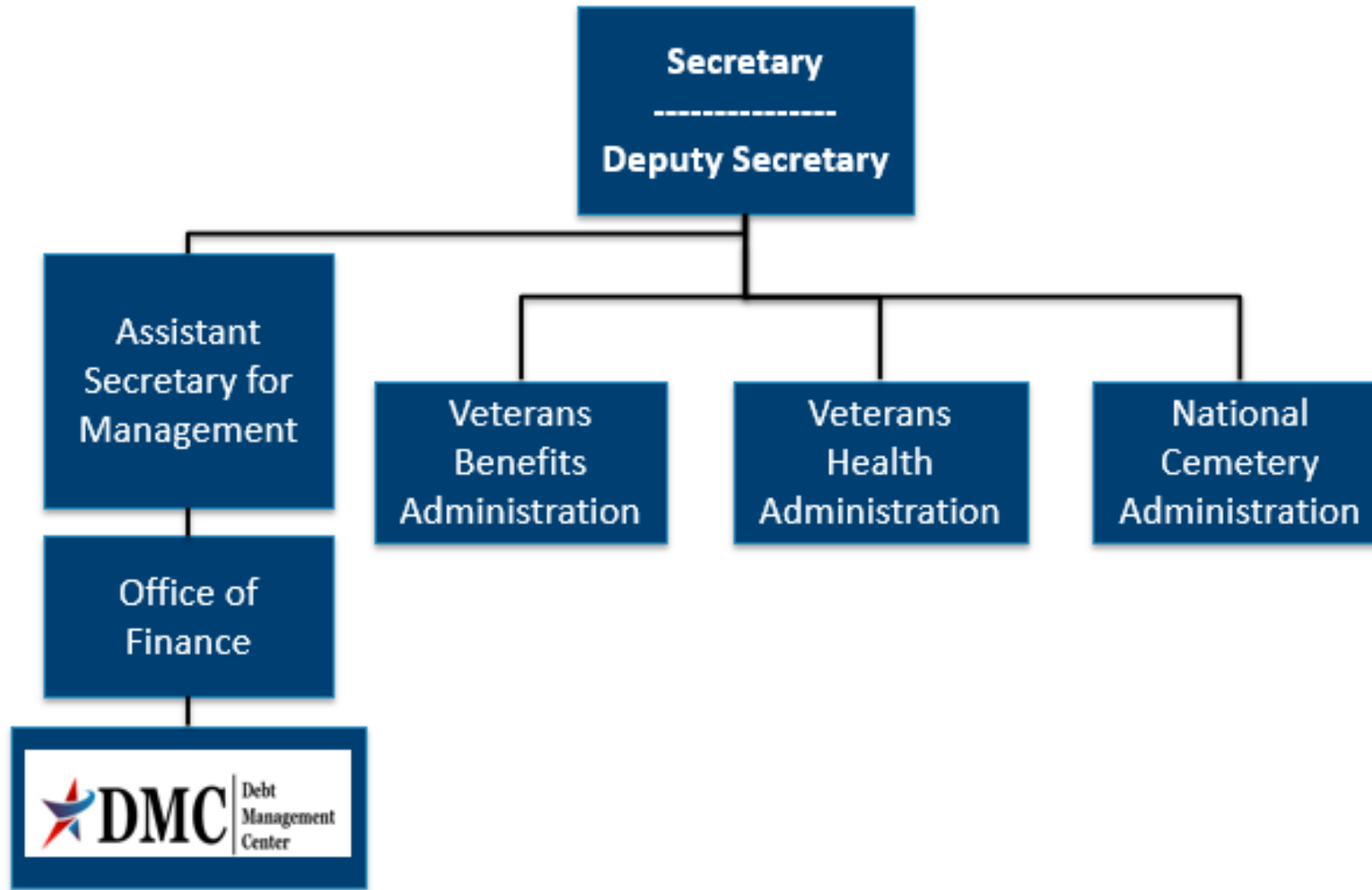
DMC Overview

- 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 320 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 collects approximately \$1.8 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



KNOWLEDGE CHECK

DMC provides accounts receivable services to

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

KNOWLEDGE CHECK

DMC provides accounts receivable services to

- a. VBA**
- b. VHA**
- c. NCA**
- 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



Education and Training Institutions

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

1. Tuition and fees
2. Yellow Ribbon Program

Students

Students will receive VA debts for:

1. Books and Supplies
2. Housing Stipend/Kicker

Preventing School Debts



- ❑ Communication with students about the impact of the following:
 - Reducing training
 - Receiving non-punitive grades
 - Changing their class schedule

- ❑ When non-punitive grades occur:
 - Have a process for students to share mitigating circumstances so that they can be certified to VA
 - If a student does not share mitigating circumstances up front, remind them they can also submit mitigating circumstances to VA to potentially reduce the amount of debt created

- ❑ In order to minimize debts, schools are encouraged to use the best practice of certifying \$0 tuition and fees before the term begins (allowing student to receive books and housing on time) and then certifying the Tuition/Fees/Yellow Ribbon amount at a later date

Debt Establishment Reasons



- Student never attended any classes
- Student completely withdrew on or before first day of term
- Payment for wrong student, duplicate payment, or payment above certified amount due to VA data entry error
- Reporting reduced tuition and fees and/or Yellow Ribbon amounts
- Student withdrew after the first day of the term
- Student reduced hours before or during term
- School reported a reduction in tuition, fees, and/or Yellow Ribbon due to student reducing or terminating training
- Student dropped/added a course with no net change in training time caused change to tuition, fees, and/or Yellow Ribbon amount

Debt Establishment Reasons



Reductions and terminations

- During a school's drop period will be effective the end of the month during which the reduction occurred or the actual date of withdrawal.
- For which punitive grades are assigned will be effective the end of the month during which the reduction occurred or the actual date of withdrawal.
- After the drop period for which non-punitive grades are assigned will be effective the first day of the term unless:
 - The 6-credit hour exclusion is granted
 - Mitigating circumstances (MIT-C) exist

Section 1019- FAQ



Q: This debt is for a term prior to January 5, 2021, why is it still being established for the school under the section 1019 rules?

A: Debt establishment is based on the creation date of the debt, term dates are not a factor

Q: Can you share a formula or teach us how to calculate how much the debt will be when the student reduces?

A: DMC does not establish debts. RPO calculations can include the 6-credit exclusion and/or mitigating circumstances when applicable

COVID-19 Operations- Students



- ❑ **DMC resumed sending debt letters to Veterans on October 1, 2021**
 - **Phased release for debts created between April 2020 & October 2021**
- ❑ **DMC resumed benefit offsets in January 2022**
- ❑ **DMC has not resumed referrals to Credit Reporting Agencies or Credit Alert Verification Reporting System (CAIVRS) at this time (resumption date TBD)**
- ❑ **U.S. Department of the Treasury activity resumed October 1, 2021 for debts under their jurisdiction prior to the pandemic**
- ❑ **DMC has not resumed referrals of new VBA Veteran/Student debts to Treasury at this time (resumption date TBD)**

COVID-19 Debt Relief Options- Students



If Veterans/students are experiencing financial hardship, DMC is providing continued relief options:

- **Extending repayment plans**
- **Requesting debt forgiveness through the waiver process**
- **Submitting a compromise offer to settle the debt for less than the full amount**
- **Requesting a temporary hardship suspension of repayment until September 30, 2022**

COVID-19 Operations- Schools



- School debt notification letters were not paused
- Referrals to the Treasury Offset Program were not paused for schools
- U.S. Department of the Treasury activity resumed October 1, 2021 for debts under their jurisdiction

VA 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
 - Email notifications to Veterans
 - More enhancements to come

Outreach and Updates



- ❑ VSO, SCO and Veteran emails (VetResources, VA Benefits Newsletter)
- ❑ Borne the Battle Podcast
- ❑ Vantage Point Blog
 - [VA launches user-friendly online financial status report form for VBA debts](#)
- ❑ VA social media
 - [Did you know VA has a social media directory?](#)
- ❑ Press releases
 - [February 2, 2022: VA Establishes new Threshold for Reporting Benefit and Medical debt](#)

DMC School Official Debt Line

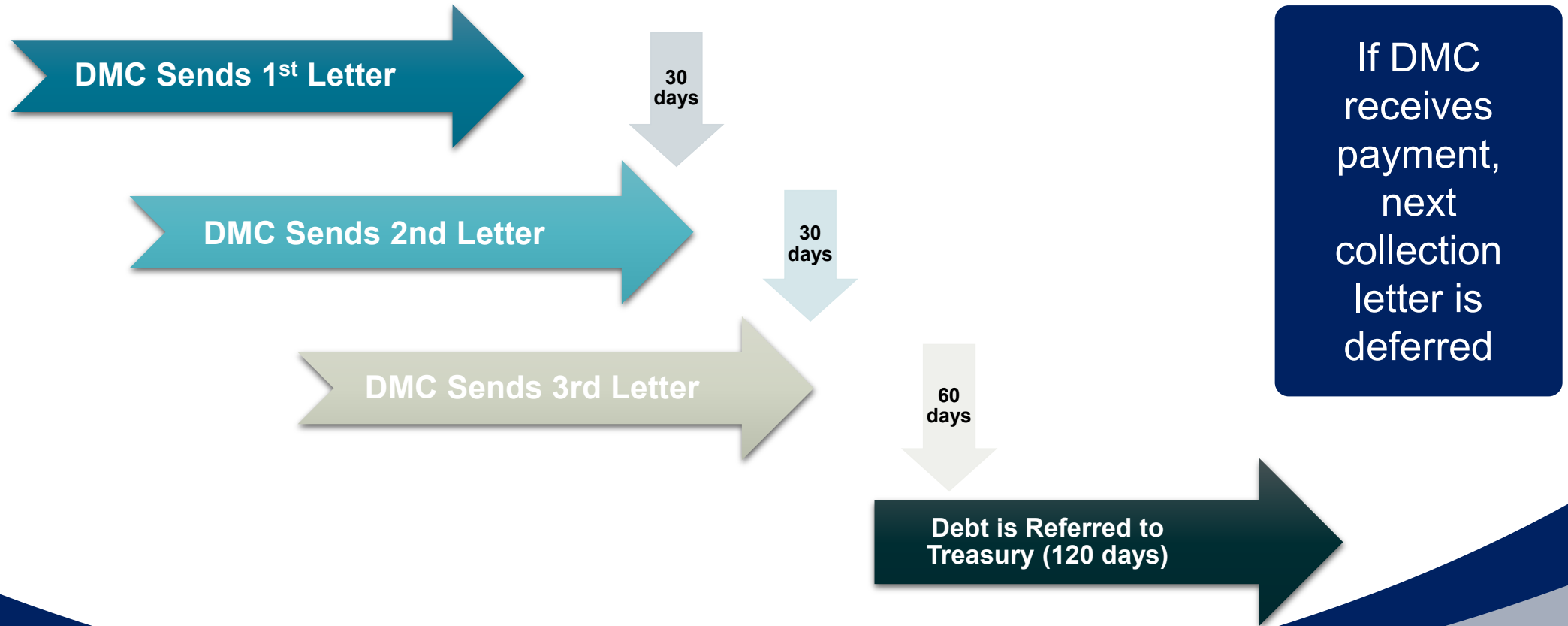
- ☐ 833-720-2574 (international 612-843-6508)
- ☐ Use for questions on Post 9/11 GI Bill Tuition and Fees debts such as:
 - Term dates for a debt
 - Confirm a payment was received
 - Confirm an outstanding balance
 - Assistance with an online payment

Disputes regarding the existence or amount of the debt should be sent via <https://ask.va.gov/> (Select category: “Veterans Affairs-Debt” and topic: “A School Official”)

School Debt 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

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The Department of Veterans Affairs recently notified you that you are due to non-entitlement. Since the funds for this enrollment were not available, we ask that you return these funds.

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

WHAT ARE YOUR RIGHTS?
 You have the right to contest either the existence or amount of the debt. You should submit a written appeal to the VA. You should explain why you are contesting the debt. You should inspect and copy VA records associated with the debt. You should request a hearing from 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 Treasury Offset Program. If the debt is scheduled for referral, you will hear from you within 30 days of the referral notice, exercising your right to appeal. 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 call the 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 dmcedu.vhaspl@va.gov. If you have questions regarding specific Veterans or their dependents, please submit a separate inquiry for each.

File Number:

Payee Number:

Person Entitled:

Deduction Code:

Questions? <https://ask.va.gov/>

(Please provide the information above on any related correspondence)

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 4-568, Jul 2015

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?

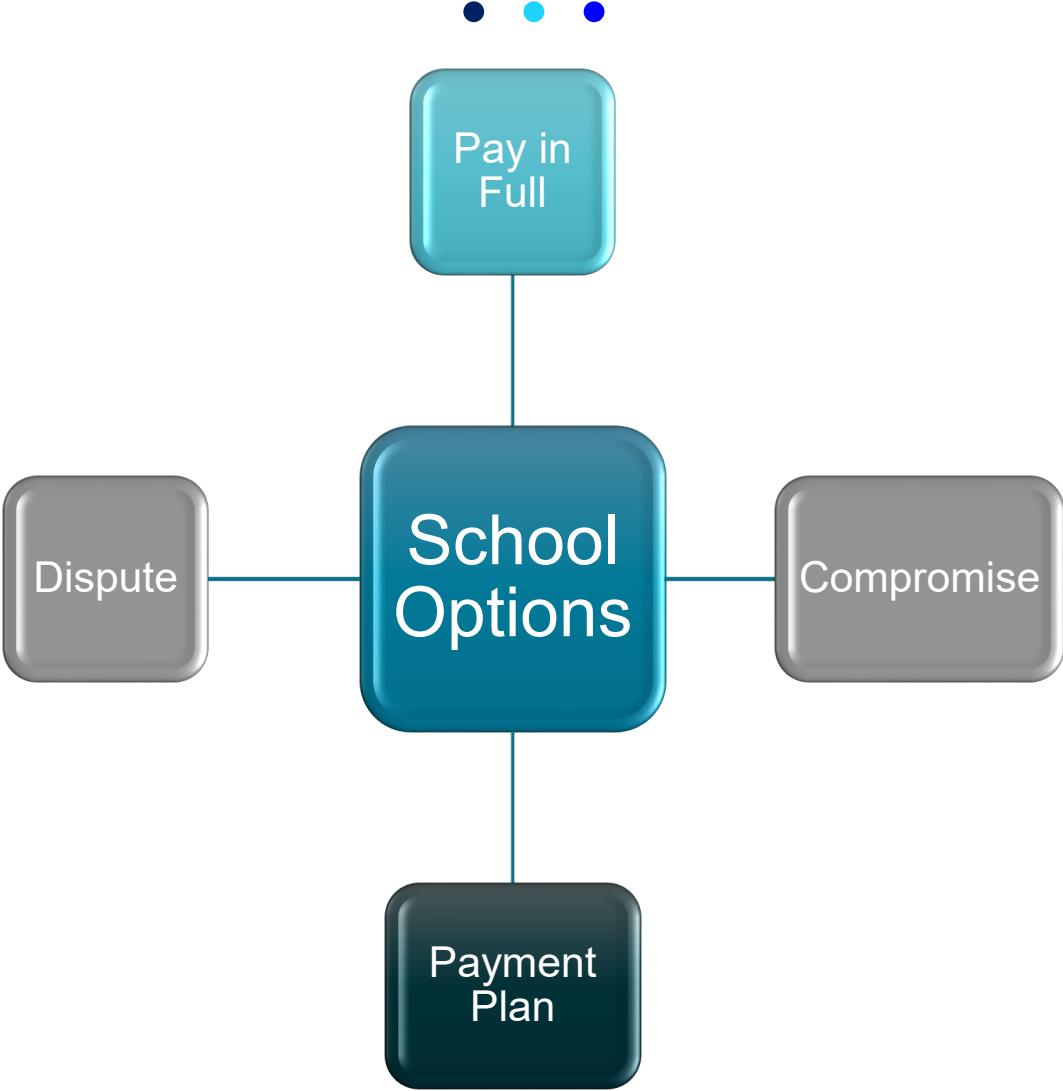
a. 30 days after the third letter is sent

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



Ask VA (AVA) for School Inquiries



- All school inquiries and disputes should be submitted using AVA (<https://ask.va.gov/>)
- Select “Veterans Affairs- Debt” as the category and “A School Official” as the topic
- Under “My inquiry is” select “On behalf of a Veteran”- this enables you to select School Certifying Official or Other (Business) under relationship to Veteran
- You must log in to receive a response that receives specific debt information

Create Account/Sign in to start your message

Ask VA (AVA) for School Inquiries



Tell us about your question

Which category best describes your question? *

(*Required)*

Veteran Affairs - Debt

Veterans Affairs- Debt

Which topic best describes your question? * (*Required)

A School Official

A School Official

Tell us the reason you're contacting us? (*Required)

Question

Question

My inquiry is: (*Required)

On behalf of a Veteran

On behalf of a Veteran

Are you currently an employee of the VA? *

No Yes

Your relationship to the Veteran (*Required)

School Certifying Official

School Certifying Official

Requesting a debt list in Ask VA (AVA)



- DMC can provide debt lists by facility code upon request
- Since the debt list is not associated with one specific Veteran, you can choose **general question** to submit your debt list by facility code request (you must still be signed in to AVA)

My inquiry is: (*Required)

A general question

Tips for School Inquiries



When submitting disputes and inquiries via AVA, please include:

- One inquiry per student
- Identifying information for the student
- School name and facility code
- Debt amount
- Supporting details (front and back of cashed check, when was updated certification sent, etc.)

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



KNOWLEDGE CHECK

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

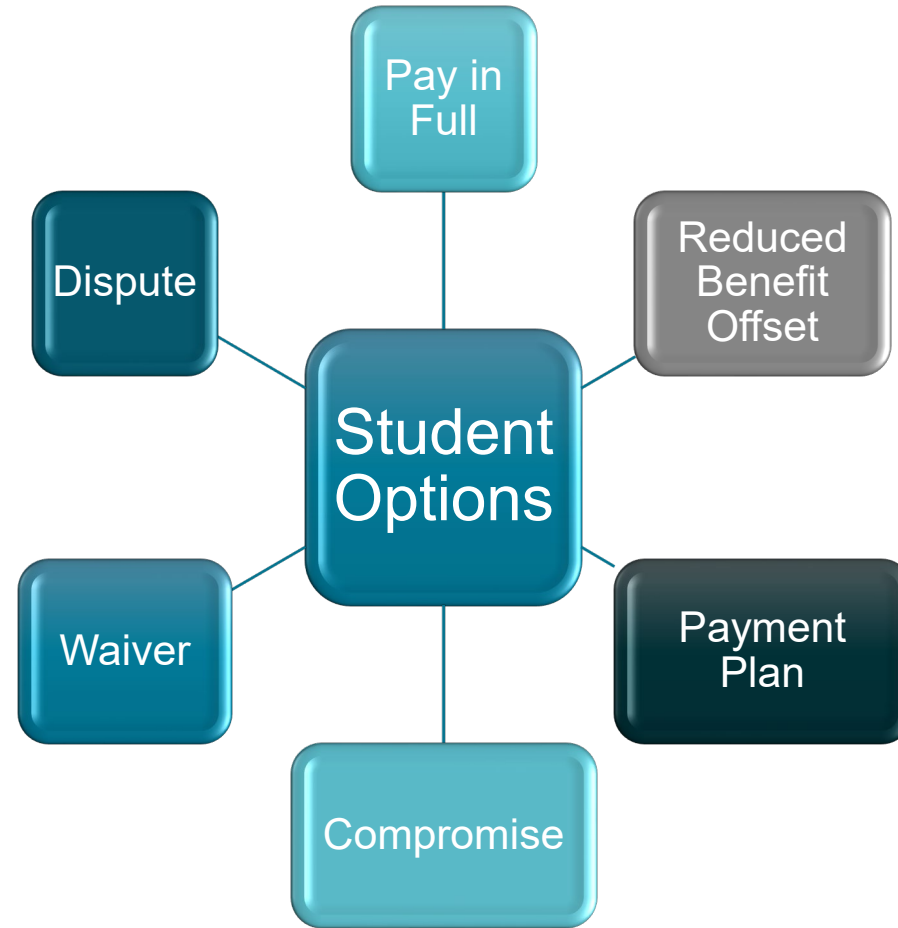
- a. Pay in full**
- b. Compromise**
- c. Request a waiver of the debt**
- d. Dispute the debt**

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

Student Options





Toolbox



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**

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

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
- Make sure to obtain the Debt Account ID related to the offset from Treasury (typically ends in 0075 for school tuition) **before** contacting DMC about an 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)



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

Veteran Debt Portal

<https://ask.va.gov>

Online inquiry system
(subject: Veterans Affairs- Debt, topic: A School Official)

833-720-2574

DMC School Official Debt Line

800-827-0648

DMC Toll Free Line - Students



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

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

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>

