

# TESTIMONY

*of*



*Presented by*

**Bethany Keirans**  
**Assistant Director for Policy and Government Affairs**

*for the*

**Department of Education**

*Regarding*

**Impact of Current Borrower's Defense and Gainful  
Employability Regulations on Student Veterans**

October 4, 2017

On behalf of Vietnam Veterans of America (VVA) and its more than 80,000 members, I appreciate the opportunity to present this testimony regarding rules pertaining to Gainful Employability, Borrower's Defense.

In June of this year, Secretary DeVos announced the Obama-era Borrower Defense rule that allowed defrauded students to have their educational loans forgiven would be paused. DeVos stated the rule was simply a way for students to "raise his or her hands to be entitled to free money." But for student veterans, nothing about having student loans forgiven is "free". Their GI Bill or vocational rehabilitation entitlements weren't earned for free. The sacrifices they made for our country weren't free. There is no monetary replacement for scholarships, grants, or private loans taken out in order to complete their degree plans.

In fiscal year 2014, 11.5%- nearly 600,000 students- defaulted on their student loans. Adding these to the number of students already in default, the total has reached 8.5 million. Ladies and gentlemen, that is more than the population of one-fifth of the United States.

The decision to freeze the review of predatory institutions, along with Secretary DeVos's remarks, devalues the hard work that tens of thousands of veterans, single parents, and young people have done to better themselves by continuing their education. The very defense this regulation intended to provide has been stripped away. Too many veterans have been scammed by for-profit institutions of higher learning for which profit is the bottom line and educational opportunities have little importance.

VVA has heard countless stories of benefits wasted on bogus degree programs at such institutions as ITT Tech and Corinthian. Veterans are left holding the proverbial bag: a worthless "degree", a wasted opportunity to

achieve their goals, and an unfathomable amount of debt they had been deceived into taking on.

By undermining the gainful employment regulation that enforces the Higher Education Act's requirement that all career education programs receiving federal student aid "prepare students for gainful employment in a recognized occupation," and by loosening limits on the ability of schools receiving federal student aid to use pre-dispute arbitration clauses and class action waivers to evade accountability, this Department is doing a disservice to student veterans.

It has become obvious to us that the Department of Education's willful ignorance of fraud has poisoned the well, and thousands veterans have had no choice but to drink from it. I stand before this body today to remind you that this is not what supporting veterans through higher education is about, and that it is time to set the standard regarding protections for both students and taxpayers.

Thank you for the opportunity to speak today, and I urge you to consider how these regulations directly affect the livelihood of our veterans and their families.