

**COMPUTER MATCHING AGREEMENT
BETWEEN
U.S. DEPARTMENT OF VETERANS AFFAIRS (VA)
AND
THE U. S. DEPARTMENT OF EDUCATION (ED)
FEDERAL STUDENT AID (FSA)**

I. Purpose

This Computer Matching Agreement (CMA) sets forth the terms, safeguards, and procedures under which the Department of Veterans Affairs (VA) will identify data on Veterans who VA has designated as (1) having a service-connected disability rating that is 100% disabling, or (2) being totally disabled based on an individual unemployability rating, as described in 38 CFR § 3.4(b) and 38 CFR § 3.340, to the Department of Education (ED), Federal Student Aid (FSA). ED will use the VA disability data to contact those Borrowers who have Title IV Loan debt or service obligations under the Teacher Education Assistance for Higher Education (TEACH) Grant Program and inform those Borrowers of ED's total and permanent disability (TPD) discharge process for individuals who have a Title IV Loan debt or TEACH Grant service obligation.

This matching program will assist ED in its obligation to ensure that Borrowers of Title IV Loans or TEACH Grant service obligations more efficiently and effectively apply for TPD discharge of their Title IV Loans or TEACH Grant service obligations. ED will proactively send notices to Borrowers who VA has designated as (1) having a service-connected disability rating that is 100% disabling, or (2) being totally disabled based on an individual unemployability rating, informing them that they may be eligible for a TPD discharge. The notices also will inform these Borrowers that ED will accept VA data matched information in lieu of the Borrower's submission of a VA Statement with the Borrower's TPD loan discharge application, thereby making it easier for these Borrowers to submit a TPD loan discharge application to ED.

II. Legal Authority

This CMA is executed in compliance with the Privacy Act of 1974, as amended by the Computer Matching and Privacy Protection Act of 1988 and the Computer Matching Privacy Protections Amendments of 1990 (Privacy Act) (5 U.S.C. § 552a), and the regulations and guidance promulgated thereunder.

VA's legal authority to enter into this CMA and to disclose information under this CMA is described in subsection (a)(8) of the Privacy Act, 5 U.S.C § 552a(a)(8) and is in accordance with 5 U.S.C. § 552a(b)(3).

ED's legal authority to enter into this CMA is provided in sections 420N(c), 437(a), and 455(a)(1) of the HEA (20 U.S.C. §§ 1070g-2(c), 1087(a), and 1087e(a)(1)); the regulations promulgated pursuant to those HEA sections (34 CFR §§ 682.402(c),

685.213, and 686.42(b)); and subsection (a)(8) of the Privacy Act (5 U.S.C. § 552a(a)(8)).

III. Definitions

- A. “Borrower” means a person who has had a loan disbursed and is fully responsible to pay the loan and interest back to the loan holder under applicable student loan programs administered under the authority of Title IV of the HEA (20 U.S.C. 1070, *et seq.*) or who have a Title IV Loan written off due to default. For purpose of this Agreement, the term “Borrower” also includes an individual who is responsible for completing a service obligation in exchange for having received a TEACH Grant under the TEACH Grant Program authorized under Title IV of the HEA, Part A, Subpart 9 (20 U.S.C. § 1070g *et seq.*).
- B. “Contractor and/or Agent” means a third-party entity in a contractual or similar relationship with ED or VA pursuant to which the third-party entity acts on the respective agency's behalf to administer, or assist in administering, the program described in this CMA.
- C. “Title IV Loan” means a loan made under Title IV of the HEA for the Federal Perkins Loan Program (20 U.S.C. § 1087aa *et seq.*), the William D. Ford Federal Direct Loan Program (20 U.S.C. § 1087a *et seq.*), the Federal Family Education Loan (FFEL) Program (20 U.S.C. § 1071 *et seq.*), or the Federal Insured Student Loan (FISL) Loan Program (20 U.S.C. § 1071 *et seq.*).
- D. For purposes of this Agreement, “Title IV Loan” also includes a Title IV Loan written off due to default and a TEACH Grant under the TEACH Grant Program authorized under Title IV of the HEA, Part A, Subpart 9 (20 U.S.C. § 1070g *et seq.*).

IV. Responsibilities of the Parties

A. ED’s Responsibilities:

- 1. ED will match the file received from VA with ED’s records on Borrowers of Title IV loans, as contained in ED’s system of records entitled “National Student Loan Data System (NSLDS)” (18-11-06). The NSLDS system of records notice was last published in the *Federal Register* in full on June 28, 2013 (78 FR 38963) and last updated on April 2, 2014 (79 FR 18534).
- 2. ED will use the information obtained from VA only for purposes set forth in this CMA, which is to contact Borrowers of Title IV Loans whose records match with the VA file exchanged per this CMA who show that they owe a balance on a Title IV Loan, have had any loans under title IV of the HEA written off due to default, or are responsible for completing a service obligation in exchange for having received a TEACH Grant under the TEACH Grant Program to inform those Borrowers of ED’s TPD process and use the information obtained from VA as documentation that the Borrower qualifies for a TPD discharge.

3. ED, as the recipient agency, will provide the appropriate Congressional committees and the Office of Information and Regulatory Affairs (OIRA) within Office of Management and Budget (OMB) with notice of this matching program and will publish the required notice of a matching program in the *Federal Register*.

B. VA's Responsibilities:

VA will disclose to ED, on a quarterly basis, the name (first middle and last), date of birth (DOB), and Social Security Number (SSN) of all individuals who are in receipt of VA disability compensation benefits with a VA determination that they have a 100% disabling service-connected disability rating or that they are totally disabled based on an individual unemployability rating, along with the VA disability determination date for each individual.

V. Justification and Anticipated Results

A. Justification:

The HEA and implementing regulations require the Secretary of Education to discharge Title IV Loans for Borrowers who can demonstrate that they meet the statutory definition of having a TPD. Under ED's regulations implementing this statutory provision, to establish their eligibility for a TPD loan discharge, Borrowers may document that VA has designated them as in receipt of VA disability compensation benefits based on a determination that they have a 100% disabling service-connected disability or that they are totally disabled based on an individual unemployability rating. Sharing information from VA for Borrowers will streamline the process for determining eligibility for the TPD discharge, and for identifying and contacting Borrowers who are eligible for the TPD discharge, but have not applied to receive it. Computer matching is believed to be the most efficient and comprehensive method of exchanging and processing this information.

ED anticipates that the matching program under this CMA will reduce the time and administrative resources needed to review, and approve applications for a TPD discharge. In addition, ED anticipates that the matching program will support outreach efforts to Borrowers who are eligible for the discharge, but have not applied to receive it. This outreach has the potential both to better fulfill the statutory intent of releasing Borrowers from their obligation to repay their Title IV Loans and to reduce ED's administrative costs by eliminating the need for ongoing loan servicing and collection efforts for these Borrowers, who are often delinquent or in default due to their conditions. This method has been determined to be the most accurate and efficient means of accomplishing these purposes. Veterans in receipt of Social Security Administration (SSA) benefits may benefit from the match as their SSA benefits will not be subject to offset to repay Title IV Loans once those loans are discharged.

B. Anticipated Results:

The match with VA will streamline the TPD discharge approval process, easing the burden on Borrowers who otherwise would need to formally document their TPD eligibility. While we do not expect the matching program will have a significant impact on ED's operational costs for the TPD discharge application process, it will lessen the burden on disabled veteran Borrowers substantially. The match will allow ED to identify Borrowers who are potentially eligible for a TPD discharge, but who might be unaware of their status. This information will enable more Borrowers to take advantage of this statutory discharge. The specific estimate of the savings that will result from this matching program is reflected in Attachment A, the Cost Benefit Analysis.

Neither VA nor ED will charge the other for participation in this agreement. Each agency will be responsible for its own development, operations, and maintenance costs.

VI. Description of Matched Records

A. Systems of Records:

VA will use the system of records identified as "BIRLS--VA" (38VA21), first published at 49 FR 38095 (August 26, 1975), routine use 21, as added by 66 FR 30049 (June 4, 2001), which is the published system notice that added routine use 21 to this system of records notice. VA has determined that this system of records contains appropriate routine use disclosure authority and that the use is compatible with the purpose for which the information is collected.

ED will match information obtained from VA with ED records maintained in in ED's system of records entitled "National Student Loan Data System (NSLDS)" (18-11-06). The NSLDS system of records notice was last published in the *Federal Register* in full on June 28, 2013 (78 FR 38963) and last updated on April 2, 2014 (79 FR 18534). ED also will maintain information on those Borrowers whose records match with information obtained from VA in its NSLDS system of records.

ED will notify in writing those Borrowers for whom ED receives a response from VA of the positive results of the match in accordance with Article VIII of this CMA.

B. Specified Data Elements:

VA will transmit to ED a file including the name (last, middle and first), DOB, SSN, most recent Unemployability Determination Date and/or the most recent 100% Rating Determination Date for each veteran in receipt of VA disability compensation benefits based on either of these two types of VA determinations.

C. Number of Records and Frequency Involved:

VA projects that it will send to ED on a quarterly basis 1,000,000 individual identifiers for those individuals in receipt of VA disability compensation benefits based on a determination that they have a 100% disabling service-connected disability or that they are totally disabled based on an individual unemployability rating.

VII. Accuracy Assessments

The disclosure of the corporate record disability data from VA's database is 99 percent accurate. The VA compensation data is virtually 100 percent accurate at the time the data is created.

NSLDS is a large repository of student grant and loan information. The data reported to NSLDS comes from multiple entities including other FSA systems, schools, guaranty agencies, and Federal loan servicers. Before data is loaded to NSLDS, it must go through a series of edit validations to ensure the data reported meets the published reporting requirements. For all NSLDS data providers who reported for both 2015 and 2016, the combined edit pass rate was 96.87 percent. The "passage" rates are based on the NSLDS 2016 Annual Data Quality Report, Version 1.0, dated May 17, 2017 published by NSLDS.

VIII. Procedures for Individualized Notice

ED will publish in the *Federal Register* a notice describing the matching program, as required by the Privacy Act. ED will also submit notice of the matching program to the OIRA within OMB and to appropriate Congressional committees, as required by the Privacy Act and implementing OMB guidance. ED will ensure that each applicant for, or recipient of, applicable Title IV Loans will be provided with an individual notice that information provided on his or her application is subject to verification through matching programs. For all Veterans identified by VA as having been in receipt of VA disability compensation benefits based on a determination that they have a 100% disabling service-connected disability or that they are totally disabled based on an individual unemployability rating and whose records match records in ED's NSLDS that show that they owe a Title IV Loan, ED will send an acknowledgement or letter informing them that their information matched and provide them with instructions on how to request a TPD discharge of their Title IV Loan.

Not all Borrowers of Title IV Loans apply for, or are in receipt of VA program benefits. VA will notify all individuals who apply for, or are in receipt of VA program benefits that VA will conduct computer matching. VA will provide subsequent direct notice of computer matching to VA program beneficiaries via annual cost of living notices.

IX. Verification Procedure and Opportunity to Contest

After VA transmits to ED the files of the Veterans whom VA has designated as in receipt of VA disability compensation benefits based on a determination that they have a 100% disabling service-connected disability rating or that they are totally disabled based on an individual unemployability rating and ED matches the VA's files with ED's records in NSLDS, ED will contact borrowers of Title IV Loans and inform them of ED's TPD discharge process.

ED will accept VA's determination that they have a 100% disabling service-connected disability or that they are totally disabled based on an individual unemployability rating designation in lieu of a VA Statement, simplifying the process for the Borrowers, as then they only must submit the signed TPD discharge application.

ED cannot discharge a Title IV Loan, which may have tax consequences for the Borrower, until/unless the Borrower officially requests the discharge by completing a TPD discharge application.

If VA does not identify a Borrower as in receipt of VA disability compensation benefits based on a determination that the Borrower has a 100% disabling service-connected disability or that the Borrower is totally disabled based on an individual unemployability rating, the Borrower still will have the option to submit a TPD discharge application and provide the required physician's certification in order to determine his or her eligibility for a TPD discharge.

X. Procedures for Retention and Timely Destruction of Identifiable Records

- A. ED will retain all matched records received from VA data file(s) with identifiable information for 30 years after (annual) cut off following the payment, in full, of an applicable account, in accordance with the requirements of ED's Comprehensive Records Retention and Disposition Schedule, 051 National Student Loan Data System (DAA-0441-2017-0004). At the conclusion of the mandatory retention period, ED will destroy the records based on, among other things, National Institute of Standards and Technology (NIST) Special Publication 800-88, Rev. 1, Guidelines for Media Sanitization, and ED Administrative Communications System, Handbook for Protection of Sensitive But Unclassified Information, OCIO-15.
- B. ED will not retain records from VA that do match ED's NSLDS and will immediately purge those records.

XI. Records Usage, Duplication, and Redisclosure Restrictions

- A. ED agrees to the following limitations on the access to, disclosure of, and use of identifying information provided by VA:
 - 1. The information provided by VA will be used within ED only to the extent necessary to achieve the purpose of notifying Borrowers of eligibility for

disability discharge and as documentation of eligibility for that discharge as stated herein and will not be used to extract information concerning individuals therein for any purpose not specified in this CMA.

2. ED acknowledges that its positive verification of an SSN, name, and DOB only establishes that the submitted information matches the information contained in ED's records. The verification does not, however, authenticate the identity of the individual or conclusively prove that the individual submitting the information is who he or she claims to be.
 3. ED will not use the VA files to extract information about non-matched individuals for any purpose.
 4. ED will, in its contractual relationship with each Contractor and/or Agent, obtain the Contractor's and/or Agent's written agreement that it will abide by all of the use and disclosure restrictions and security requirements in this CMA.
 5. ED will identify and provide to VA, upon request, a current list of Contractors' and/or Agents' employees who will have access to the information ED obtains through this CMA. This list will contain the following items: name of contracting firm, list of the Contractors' and/or Agents' employees who will have access to the information, location where the work with the information is performed, description of the work that is performed with the information, and contract period (including renewals and extensions). ED will certify, via a written communication on ED letterhead, to VA that these Contractors and/or Agents are acting on behalf of ED to administer or assist in administering the FSA programs. ED agrees that its Contractors and/or Agents will, upon request, provide a list of employees who no longer have access to the information under this CMA.
 6. ED employees and Contractors and/or Agents under contract with ED who access, disclose, or use the information obtained pursuant to this CMA in a manner or for a purpose not authorized by this CMA may be subject to civil and criminal sanctions contained in applicable Federal statutes.
- B. VA agrees that the information produced by the match may be used by ED for necessary follow-up actions essential to the TPD process, as well as when required by law, including to support criminal investigations or prosecutions based on TPD discharge applications which may arise in this connection. All disclosures will be made consistent with the Privacy Act and applicable Privacy Act guidelines.

XII. Security Procedures

VA and ED will comply with the requirements of the Federal Information Security Management Act of 2002, 44 U.S.C. 3541-3549, as amended by the Federal Information Security Modernization Act of 2014 (P. L. 113-283) (FISMA), related OMB circulars and memoranda, such as Circular No. A-108, "Federal Agency Responsibilities for

Review, Reporting and Publication under the Privacy Act”, and Memorandum 06-16, “Protection of Sensitive Agency Information” (June 23, 2006), OMB Memorandum 08-05, and all subsequent related memoranda; the Privacy Act; NIST directives; and the Federal Acquisition Regulations (FAR), including any applicable amendments published after the effective date of this CMA. These laws, directives, and regulations include requirements for safeguarding Federal information systems and personally identifiable information (PII) used in Federal agency business processes, as well as related reporting requirements. Both agencies recognize and will implement the laws, regulations, NIST standards, and OMB directives including those published subsequent to the effective date of this CMA.

FISMA requirements apply to all Federal contractors, organizations, or entities that possess or use Federal information, or that operate, use, or have access to Federal information systems on behalf of an agency. Both agencies are responsible for oversight and compliance of their contractors and agents.

Specific security requirements include, but are not limited to, the following:

Data must be protected at the Moderate system certification criticality level according to Federal Information Processing Standards (FIPS) Publication 199, Standards for Security Categorization of Federal Information and Information Systems.

All VA and FSA systems involved in this data exchange have completed the security authorization process within the last three years, using the required NIST guidance, and have an Authorization to Operate (ATO) with the appropriate signatures.

Electronic files are encrypted using the FIPS 140-2 standard and are interoperable with ED’s personal identity verification logical access control card (PIV LAC) for Government Employees and support contractors authorized to have an HSPD-12 card (HSPD-12 = Homeland Security Presidential Directive #12).

VA and ED information systems reside behind a Trusted Internet Connection (TIC).

A. Incident Reporting:

Upon detection of a security incident or PII breach related to this CMA, the agency experiencing the incident will promptly notify the other agency’s System Security Contact(s) named in this CMA. VA will promptly notify the following FSA contacts in the order listed, until a successful notification has been made: NSLDS Owner’s Primary Representative or NSLDS Information System Security Officer (ISSO).

If the agency experiencing the incident is unable to speak with the other agency’s System Security Contact within one hour or if for some reason contacting the System

Security Contact is not practicable (e.g., outside of normal business hours), then the alternate contact information shall be used.

If ED experiences a loss of PII under the terms of this CMA, ED will also comply with the PII breach reporting and security requirements as required by OMB Memorandum 17-12, "Preparing for and Responding to a Breach of Personally Identifiable Information" (Jan. 3, 2017). ED also will notify the VA security contact(s) named in this CMA as soon as possible, but no later than one hour after the discovery of a breach involving PII. The agency that experienced the incident will be responsible for following its established procedures, including notifying the proper organizations (e.g., United State Computer Emergency Readiness Team (US-CERT), the ISSOs, and other contacts listed in this document), conducting a breach and risk analysis, and making a determination of the need for notice and/or remediation to individuals affected by the loss. If the agency's analysis indicates that an individual notice and/or remediation is appropriate, the agency that experienced the incident will be responsible for providing such notice and/or remediation without cost to the other agency.

B. Administrative Safeguards:

ED will restrict access to the data matched and to any data created by the match to only those authorized employees, officials, Contractors and/or Agents who need it to perform their official duties in connection with the uses of the data authorized in this CMA. Further, ED will advise all personnel who have access to the data matched and to any data created by the match of the confidential nature of the data, the safeguards required to protect the data, and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws. ED users or designated Contractors and/or Agents will be subject to monitoring and auditing. It is the responsibility of ED to ensure user access is removed timely when a user has departed or duties have changed such that the user no longer requires access to the system.

C. Physical Safeguards:

ED will store the data matched and any data created by the match in an area that is physically and technologically secure from access by unauthorized persons at all times. Only authorized personnel will transport the data matched and any data created by the match. ED will establish appropriate safeguards for such data, as determined by a risk-based assessment of the circumstances involved.

D. Technical Safeguards:

ED will process the data matched and any data created by the match under the immediate supervision and control of authorized personnel in a manner that will protect the confidentiality of the data, so that unauthorized persons cannot retrieve any data by computer, remote terminal, or other means. Systems personnel must enter personal identification numbers when accessing data on ED's systems. ED will

strictly limit authorization to those electronic data areas where the matched data is stored to what is necessary for the authorized analyst to perform his or her official duties.

E. Onsite Inspection:

In lieu of onsite inspection, FSA will allow VA to review the relevant FSA ATO package at a secure FSA facility.

XIII. Comptroller General Access

The Government Accountability Office (Comptroller General) may have access to all ED and VA records, as necessary, in order to verify compliance with this CMA.

XIV. Reimbursement

Each agency will be responsible for its own development, operations, and maintenance costs. There will be no reimbursement between agencies.

XV. Duration and Modification of the Agreement

A. Effective Date:

- 1) The effective date of this CMA and the date when the match may begin shall be at the expiration of the 30-day public comment period following ED's publication of notice of this matching program in the *Federal Register*, as required by 5 U.S.C. § 552a(e)(12) and OMB Circular No. A-108, assuming that ED receives no public comments or receives public comments but makes no changes to the notice as a result of the public comments, or 30 days from the date on which ED publishes a revised matching notice in the *Federal Register*, assuming that ED receives public comments and revises the matching notice as a result of public comments; or
- 2) On the effective date of this CMA, VA and ED agree that this CMA supersedes any previous agreement and that any previous agreements are terminated

B. Duration:

This CMA will be in effect for an initial period of 18 months unless it is renewed for an additional 12 months, as set forth in paragraph C, below.

C. Renewal:

The Data Integrity Boards (DIBs) of ED and VA may, within three months prior to the expiration of this CMA, renew this Agreement for a period not to exceed 12 months if:

1. The matching program will continue to be conducted without change; and
2. FSA and VA certify to their respective DIBs that they have conducted the matching program in compliance with this CMA.

If either party does not want to renew this Agreement, then it should provide written notification to the other party of its intention not to renew the Agreement at least 90 days before the expiration of the CMA.

D. Modification:

The parties may modify this CMA at any time by a written modification, agreed to by both parties and approved by the DIB of each agency.

E. Termination and Immediate Unilateral Suspension of Data Flow:

The parties may terminate this CMA at any time with the written consent of both parties. Either party may unilaterally terminate this CMA upon written notice to the other party, in which case the termination will be effective 90 days after the date of the notice, or later if so specified in the notice. In no event, however, may the termination of the CMA allow the CMA to extend beyond the time periods listed in paragraphs B and C, above. If this CMA is terminated, no reimbursement of costs incurred prior to termination will be owed to or reimbursed by either party.

VA or ED may make an immediate, unilateral suspension of the data flow of this Agreement if either party:

1. Determines that there has been an unauthorized use or disclosure of information;
2. Determines that there has been a violation of or failure to follow the terms of this CMA; or
3. If VA has reason to believe that ED has breached the terms of this CMA for security of data.

In the event of a unilateral suspension of the data flow, VA agrees that it will immediately notify ED as to the basis of its belief and its intent to unilaterally suspend the data flow under this CMA. The notice provided will ensure that the two agencies discuss the suspected violation, thereby preventing an unintended increase of the burdens on TPD discharge applicants based solely upon a belief of a violation or failure to abide by the terms of the CMA. If VA suspends the data flow under this CMA in accordance with this section, there will be an indefinite suspension of the CMA until a definite determination has been made regarding whether there has been a breach.