

Perkins Total and Permanent Disability Discharge Assignment Procedures

Appendix III – Veterans Disability Discharge

Attachment to September 2010 Electronic Announcement (Updated May 2011)

1. SUMMARY/OVERVIEW

Veteran borrowers will be considered eligible for discharge due to total and permanent disability (TPD) if the veteran provides documentation from the U.S. Department of Veterans Affairs showing that the veteran has been determined to be **unemployable due to a service-connected condition**. If the Perkins school finds that a veteran qualifies for discharge under this standard, the discharge application must be referred to the U.S. Department of Education (the Department) for a discharge determination. Guidance for determining whether the veteran qualifies for discharge due to total and permanent disability under this standard can be found in [Dear Colleague Letter GEN-09-07](#). This document provides instructions for Perkins schools to refer discharge applications to the Department.

2. APPLICATION REFERRAL

If the borrower appears to be eligible for a total and permanent disability discharge based on the VA documentation, the Perkins school must submit a **copy** of the discharge application and supporting documentation to the Department, and notify the borrower that his or her disability discharge request has been submitted to the Department for further review. The Perkins school **does not** need to assign the loan to the Department.

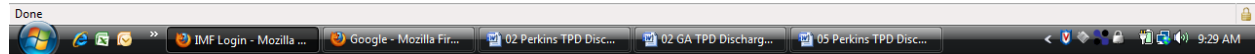
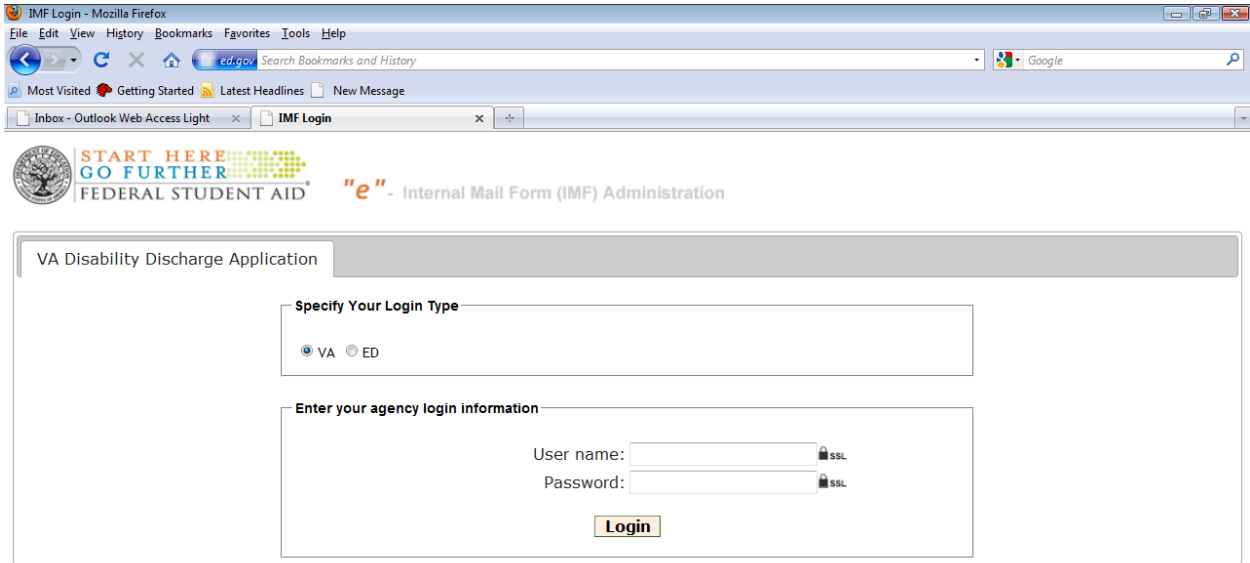
Perkins school may refer the discharge application to the Department online via the Web, by e-mail, or manually (on paper).

3. ONLINE SUBMISSIONS

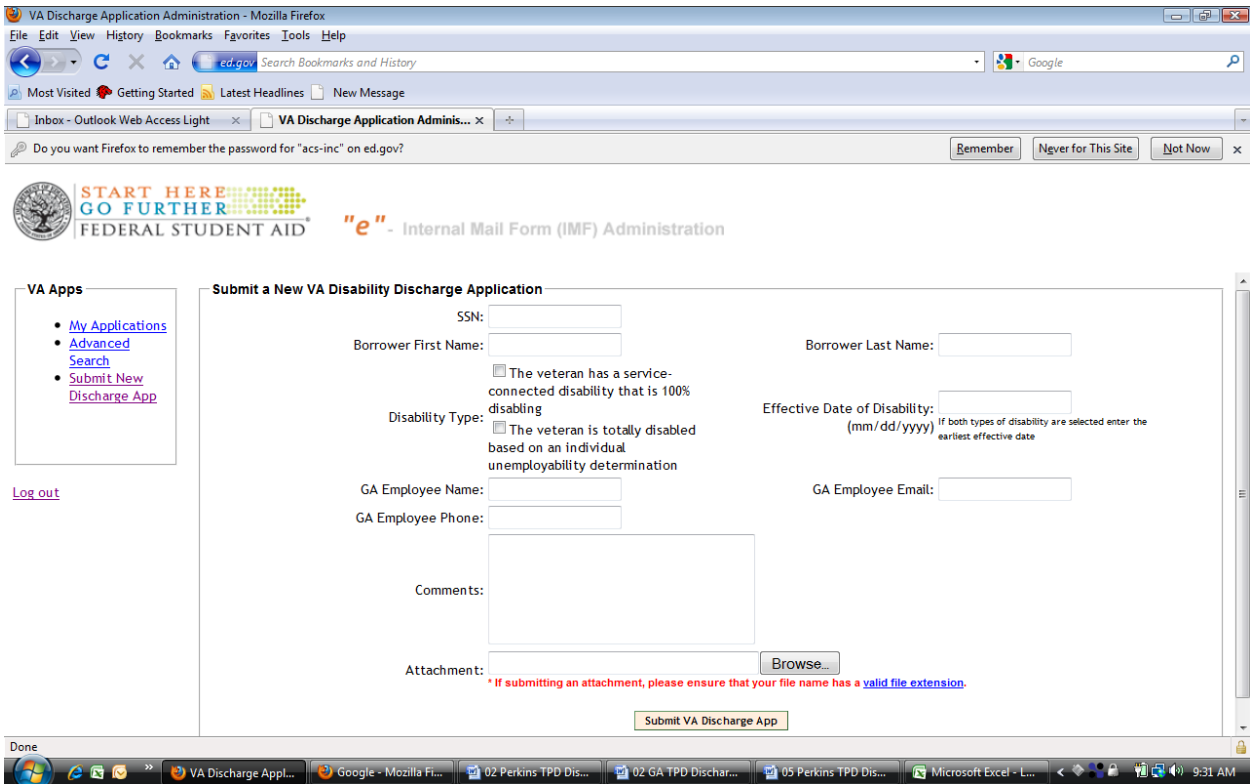
If the Perkins school refers the discharge application online, the Perkins school must log in to the online VA Loan Discharge Processing System at www.vetstudentloanassistance.com. The Perkins school must have an authorized user ID and password. From the main page, click on the VA Discharge Application tab.

Note: To obtain a user ID and password, the school will need to contact the Nelnet TPD Servicer at VAdisabilityinformation@nelnet.net.

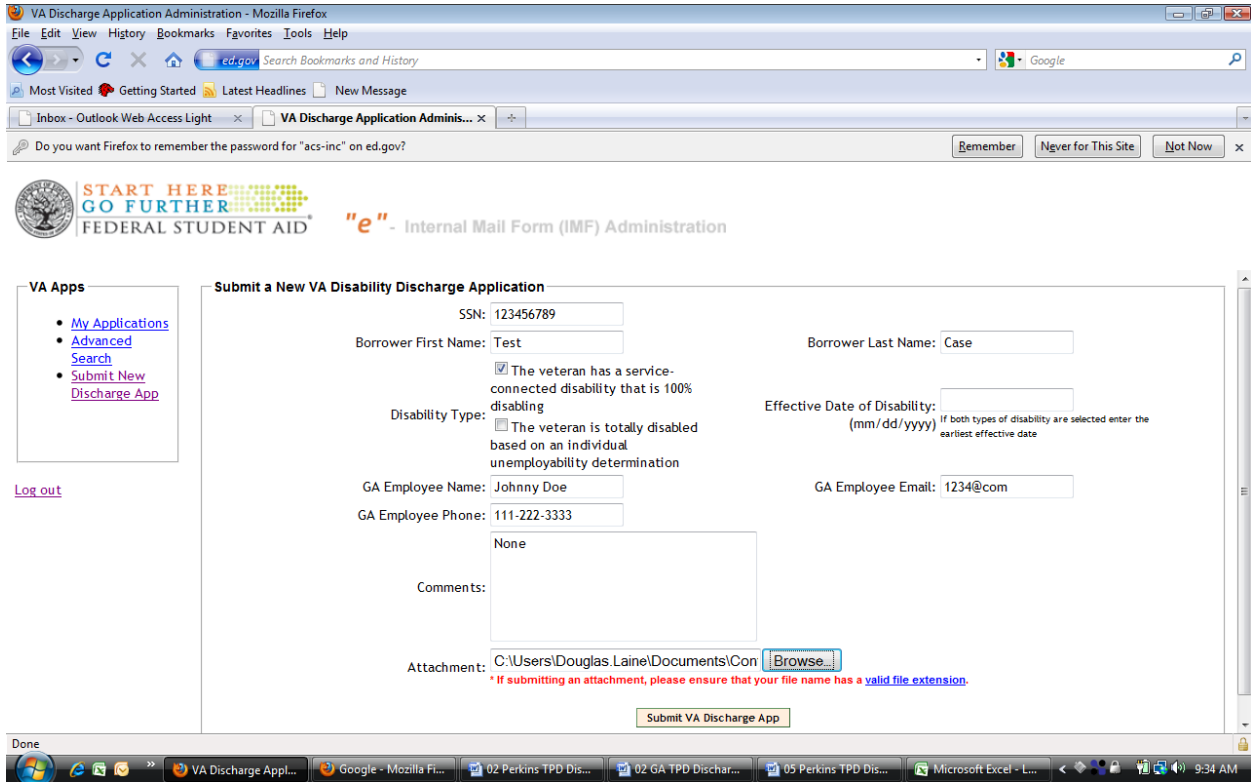
Enter the user ID (in the “Agency” field) and password and then click “Login.”



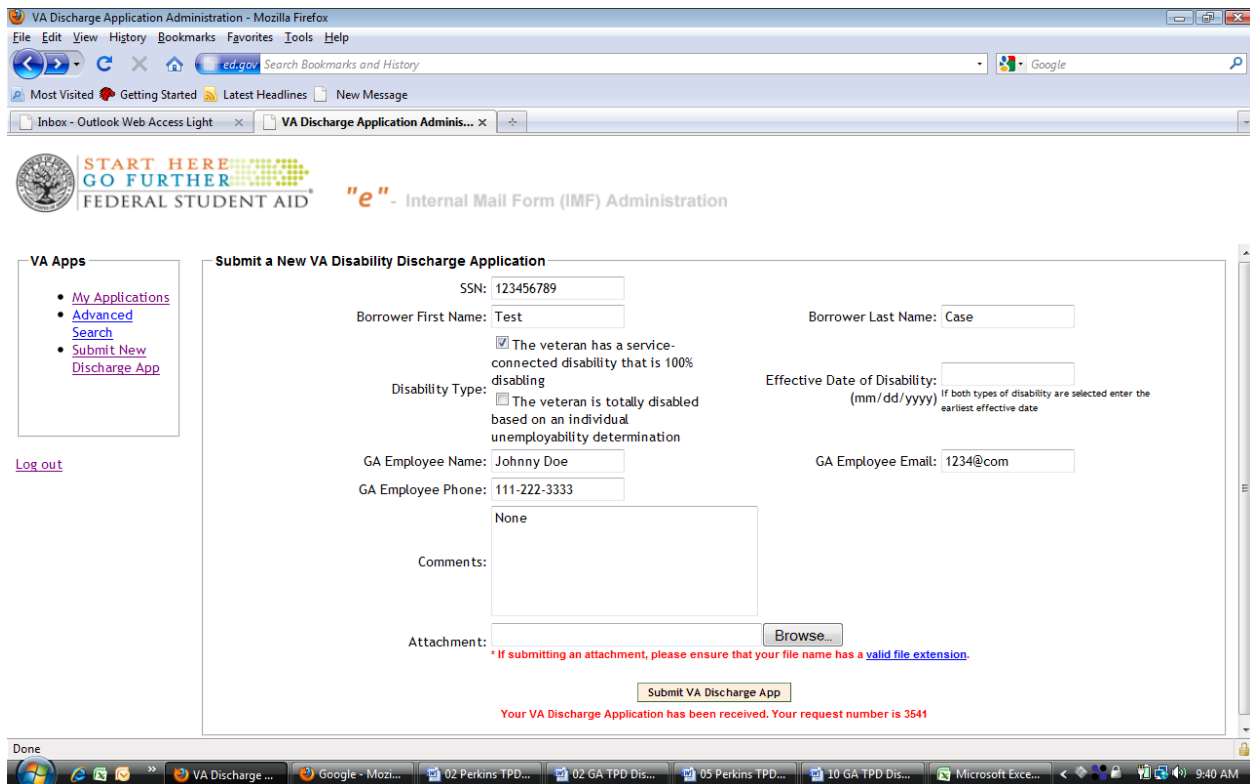
After clicking the login box, the system will open to the Submit a New VA Disability Discharge Application page.



The Perkins school must enter all of the requested information and upload the loan discharge application along with supporting information from the Department of Veterans Affairs that identifies the applicant, the disability type, and the effective date of the disability. If the school is not sure of the disability type or does not have the effective date of the disability, it should leave those items blank. After entering the information in the required fields and uploading the attachments, click the “Submit VA Discharge App” button at the bottom of the page.



After clicking the submit button, the system will provide a message that the application has been received.



4. E-MAIL SUBMISSIONS

If the Perkins school refers the discharge application via e-mail, the Perkins school must send an image of the borrower's discharge application and supporting documentation, in a password-protected .zip file (and send the password in a separate e-mail) to disabilityinformation@nelnet.net with the subject line "RE: Veterans Disability Discharge." The image file may be in .pdf or MS Word compatible formats (.doc, .docx, .rtf, .txt... etc).

Please include a contact name, phone number and e-mail address with each e-mail submission.

5. MANUAL/PAPER SUBMISSION

If the Perkins school refers the discharge application manually, the Perkins school must send a copy of the discharge application and supporting documentation, via overnight or private courier, to the Department at the following address:

Nelnet Total and Permanent Disability Servicer
 3015 South Parker Road, Suite 400
 Aurora, CO 80014

Veteran's TPD Applications must be packaged in accordance with the same secure packaging (double-package) requirements as assignment files (See **PROCEDURES**).

Please include a contact name, phone number and e-mail address with each submission.

Perkins schools must double package all documents in opaque materials that are approved by the shipping Perkins school (DHL, FedEx, UPS, USPS, etc.). Both the "TO" and "FROM" addresses must be included on both the inner and outer packages. Shipping agents must have the capability of tracking the shipment's status and must require signatures upon receipt. The package should not identify the sensitivity of the contents.

6. CONTACT INFORMATION

For submission questions, please contact the TPD Servicer by phone at 888-303-7818, by fax at 303-696-5669, or by e-mail to disabilityinformation@nelnet.net. When faxing or e-mailing, include "RE: Veterans Disability Discharge" in the subject line.

7. DOCUMENT VERIFICATION

After receiving the TPD application and supporting documentation from the Perkins school, the Department will review the VA documentation. The Department may also contact the VA for more complete information regarding the borrower's VA disability rating.

Receipt of a Title IV loan after the effective date does not disqualify a borrower for a TPD discharge; therefore the Department will not review the borrower's National Student Loan Data System (NSLDS) records for this purpose.

8. NOTIFICATION OF ELIGIBILITY, EFFECTIVE DATE AND REFUNDS

The Department notifies the Perkins school of each veteran borrower's eligibility for discharge via e-mail in a password-protected .zip file. The notification will include each veteran's:

- Name;
- Social Security Number;
- Eligibility Status; and
- Effective Date of the Grant of Disability by the VA.

Upon notification by the Department that the borrower qualifies for a discharge, the Perkins school notifies the borrower of the discharge and refunds any payments that were made on or after the effective date of the grant of disability by the VA.

9. APPLICATION DENIAL

If the application is denied by the Department, the Perkins school notifies the borrower that the discharge request has been denied, and that the borrower must resume payment on the loan.

If the VA documentation suggests that the borrower may be totally and permanently disabled, but the borrower is not eligible for the total and permanent disability discharge process described in this letter because the borrower's disabilities are not service-connected, the Perkins school must advise the borrower to re-apply for a TPD discharge through the standard TPD discharge process. To re-apply for a total and permanent disability discharge under the standard process, the borrower must have a physician complete the Physician's Certification Section of the TPD application and resubmit the TPD application to the Perkins school. The borrower may include the VA documentation, as well as any other supporting documentation, along with the completed TPD application. The Department will take the VA documentation into consideration when conducting its medical review.