

# Department of Defense Proposes Data Sharing Arrangement with Department of Education to Identify Service Members Eligible for 0% Interest on Federal Student Loans

**Ballard Spahr**  
LLP

Article By

[Jeremy C. Sairsingh](#)

[Ballard Spahr LLP](#)

[Consumer Finance Monitor](#)

- [Financial Institutions & Banking](#)
- [All Federal](#)

Tuesday, April 23, 2019

A [Federal Register entry published last week](#) details a proposed data-sharing arrangement between the Department of Defense (DoD) and the Department of Education (DoE) designed to reduce the amount of interest that certain active duty service members pay on federal student loans.

In 2008, Congress amended the Higher Education Act to provide for the removal of interest on federal student loans for military borrowers during service in war zones. To date, no formal mechanism has existed for transmitting this data from DoD to DoE, and the [CFPB estimated](#) in 2016 that eligible service members have paid over \$100 million in unnecessary interest expenses since 2008.

In effect, DoD is proposing to modify its Defense Manpower Data Center Data Base to aid DoE in identifying whether certain borrowers are eligible for 0% interest while serving. Described in the DoD proposal as a “matching agreement,” this newly announced data conduit between DoD and DoE is intended to ensure that service members “who have received imminent danger pay (IDP) or hostile fire pay (HFP) benefits and who have student loans under Part D, Title IV of the Higher Education Act of 1965 (HEA), as amended, receive the no interest accrual benefit on their eligible loans during the period of time they received IDP or HFP pay.”

The comment period is open through May 16, 2019, after which the proposal will go into effect “unless comments are received which result in a contrary determination.”

Copyright © by Ballard Spahr LLP

**Source URL:** <https://www.natlawreview.com/article/department-defense-proposes-data-sharing-arrangement-department-education-to>