



Department of Veterans Affairs Debt Management Center (DMC)

School Certifying Officials Presentation



Purpose

- ❑ This session will:
 - Provide an overview of DMC
 - Explain why/how debts are established
 - Collection process map
 - How to pay a debt
 - What happens with unpaid debts
 - Answering questions

DMC is the
"One-Stop Shop"
for school debts



Overview

- DMC is a franchise fund aligned with VA's Office of Finance (OF) within the Office of Management (OM)
- Located in St. Paul, MN
- Provide accounts receivable services to VBA, VHA, NCA
- Collect \$1.5 billion annually
- Staff of 300 employees

DMC mission:

Provide distinctive, high quality accounts receivable services through a compassionate and value-added approach, empowering our stakeholders to focus on core missions.



Federal Debt Collection Laws

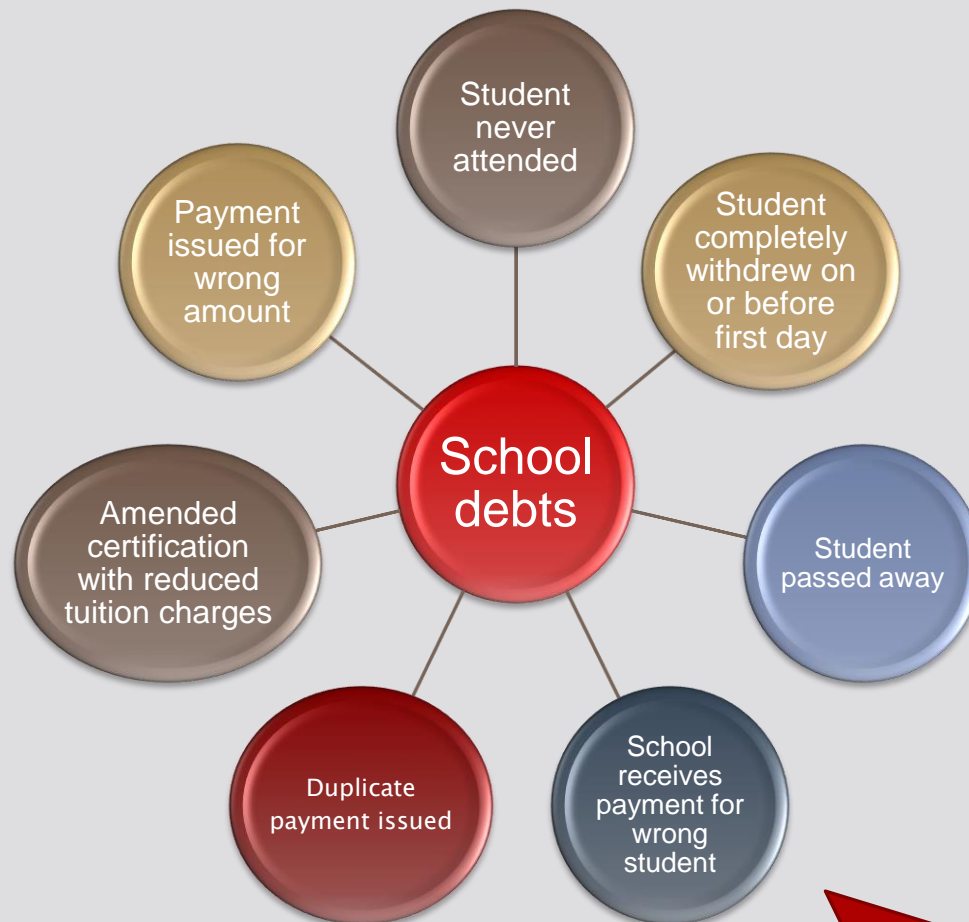
- ❑ The Debt Collection Act of 1982
 - Provided the statutory authority for Federal agencies to collect debts through administrative offset

- ❑ The Debt Collection Improvement Act (DCIA) of 1996
 - Expanded the statutory authority for Treasury Offset Program (TOP) by requiring agencies to transfer delinquent non-tax debts at 180 days to the Department of the Treasury's (Treasury), Financial Management Service (FMS)
 - Provides a mandatory government-wide delinquent debt matching and payment offset system

- ❑ Digital Accountability and Transparency Act (DATA) of 2014
 - Section 5 of the DATA Act amends DCIA, 31 U.S.C. 3716(c)(6)
 - The amendment changed the referral requirement for delinquent non-tax debts from 180 days to 120 days



Debt Establishment

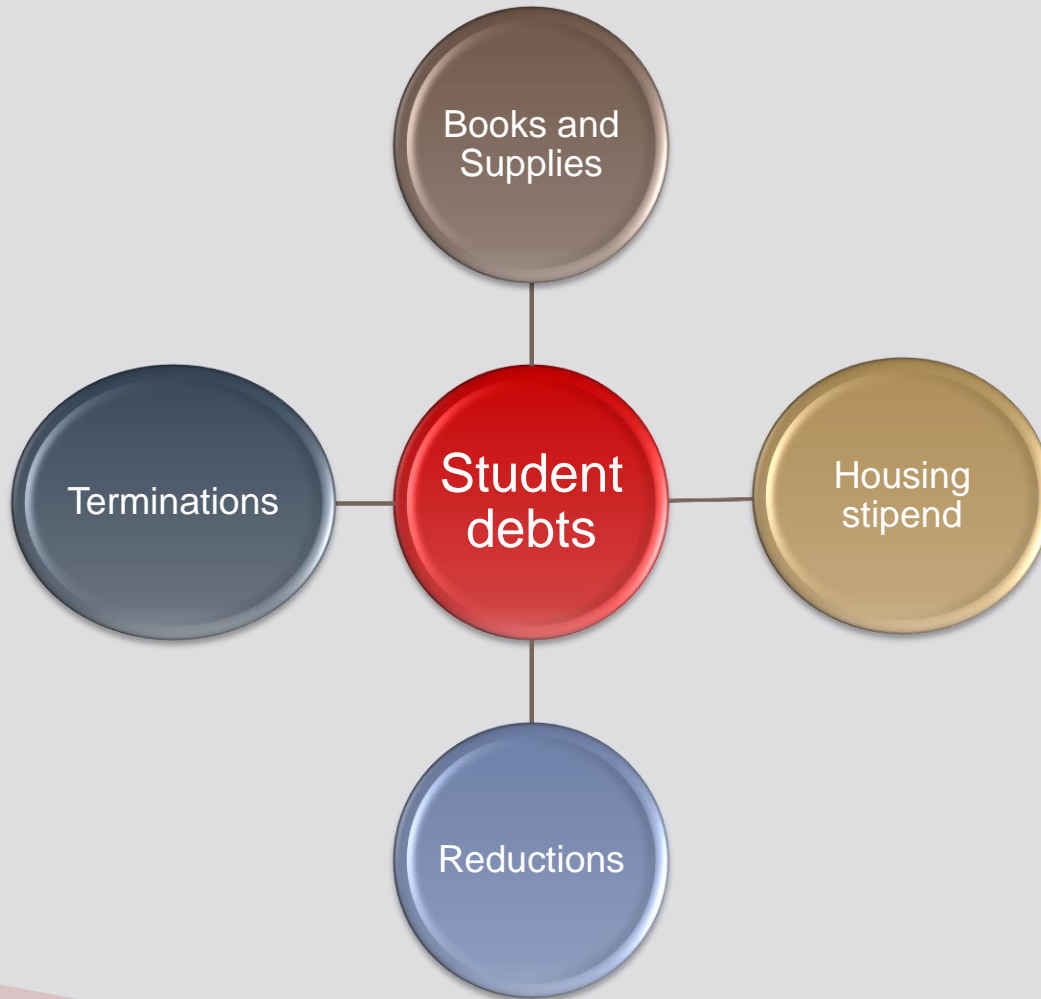


Sources:

- 38 CFR 21.9695(b)(2)
- SCO Handbook



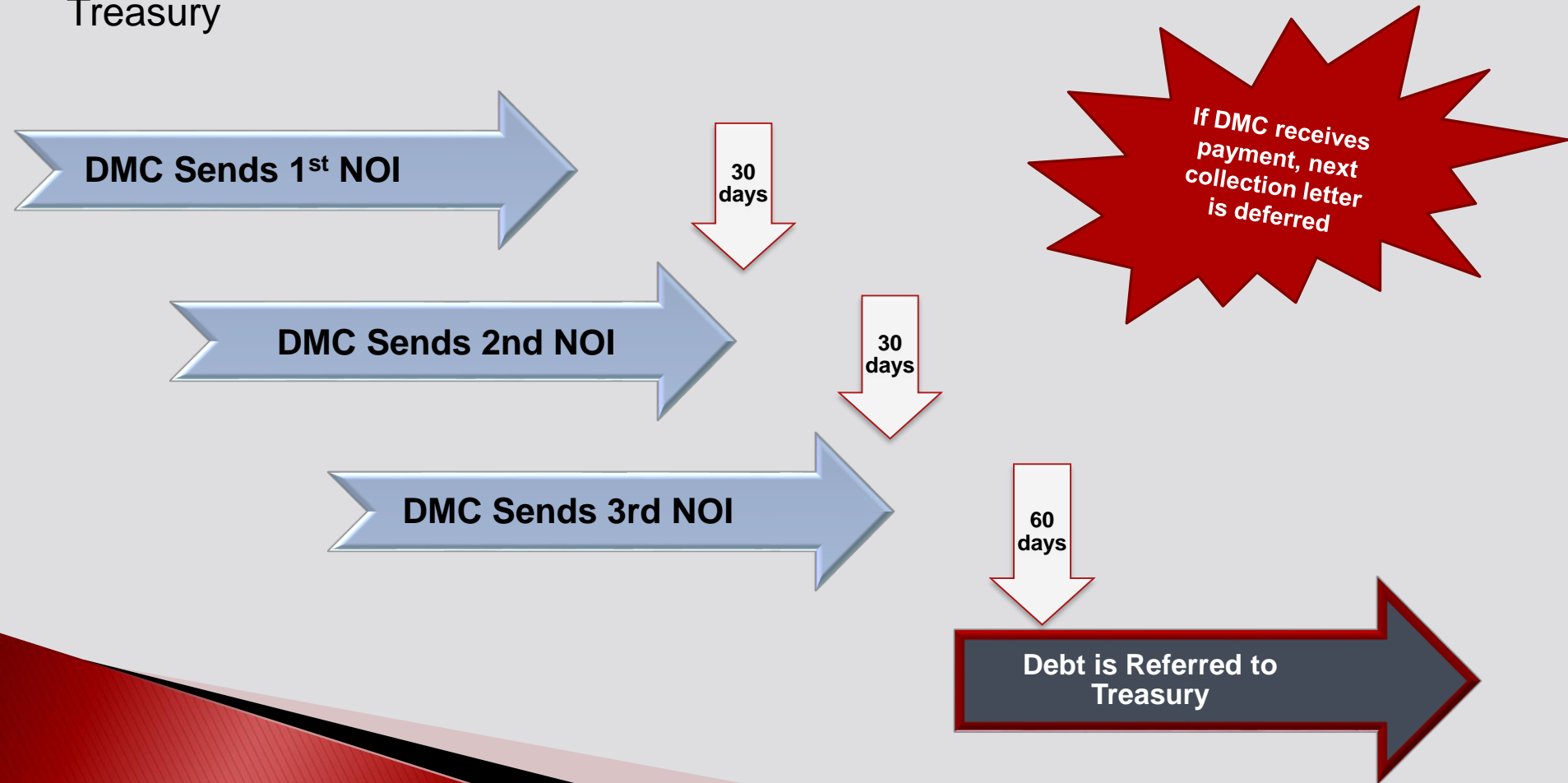
Debt Establishment






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 education benefits were adjusted due to non-entitlement. Since the funds for this enrollment were sent directly to the school, we ask that you return these funds.


Student Name: Facility: Amt: \$
Term Dates(s): 08/31/2015-09/27/2015 08/03/2015-08/30/2015

WHAT ARE YOUR RIGHTS?
You have the right to contest either the existence or amount of the debt. Your request should be submitted in writing and should explain why you are contesting the debt. You have the right to inspect and copy VA records associated with the debt. You have an opportunity for a review within 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 Department of the Treasury for offset under the Treasury Offset Program. If the debt is scheduled for referral to Treasury and we hear from you within 30 days of the referral notice, exercising one of the rights described above, 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 contact the VA 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.vbaspl@va.gov. If you have questions regarding specific Veterans payments, please submit a separate inquiry for each.

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.

PL 4-58B, JUL 2015

File Number:
Payee Number: 00
Person Entitled:
Deduction Code: 75
E-Mail Address: dmcedu.vbaspl@va.gov
(Please provide the information above on any e-mail correspondence)

File Number:
Payee Number:
Person Entitled:
Deduction Code:
E-Mail Address: dmcedu.vbaspl@va.gov
(Please provide the information above on any e-mail correspondence)

8.58B use 010370-001-0173003208 0000001 0000001 14000000



School options





Student options





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
- Return electronic payment

Payments received through EFT can be returned through your bank/financial institution using return code R31
- Pay online: www.pay.va.gov
- Return **un-cashed** hard copy check(s) to:
U.S. Department of the Treasury
Financial Management Service
P.O. Box 51318
Philadelphia, PA 19115-6316



Toolbox



Expedite hardship
refunds

Reduced repayment
plans

Prioritize waiver
requests

Temporarily suspend
offset



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)



Become a Debt Superhero

www.va.gov/debtman

800-827-0648

dmcedu.vbaspl@va.gov

<https://iris.custhelp.va.gov/app/ask/>





DMC Contact



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VA Debt Management Center





Questions.....

