

Issue Paper 6
Session 1: January 12-14, 2016

Issue: Allow loan holders to rely on faxed or electronically submitted death certificates for purposes of discharging loans or TEACH Grant service obligations based on the death of the borrower or TEACH Grant recipient.

Statutory cite: §§420N(d)(2), 437(a)(1), and 464(c)(1)(F)(i) of the Higher Education Act of 1965, as amended

Regulatory cite: 34 CFR 674.61(a), 682.402(b)(2), 685.212(a)(1), and 686.42(a).

Summary of issue:

Under the current regulations for the Perkins, Federal Family Education Loan (FFEL), Direct Loan, and TEACH Grant programs, a loan or TEACH Grant service obligation may be discharged based on the death of the borrower (or the student on whose behalf a parent received a PLUS loan) or TEACH Grant recipient only if the loan holder or the Secretary receives an original or certified copy of the borrower's/student's or TEACH Grant recipient's death certificate, or an accurate and complete photocopy of the original or certified copy of the death certificate (or, under exceptional circumstances and on a case-by-case basis, based on other reliable documentation of the individual's death, if a death certificate is not available).

Questions to be considered:

- Should we revise the regulations for all three Title IV loan programs and the TEACH Grant program to allow for discharge of the loan or service obligation based on an original or certified copy of the death certificate that is faxed or scanned and then electronically submitted, or based on verification of death through Federal or state databases?
- Is there any reason to believe that faxed or scanned death certificate may be more vulnerable to alteration than an original/certified copy or a photocopy of the original/certified copy that is submitted through the U.S. Postal Service?