

**VA**



U.S. Department  
of Veterans Affairs

# **VA Debt Management Center (DMC)**

**Veterans Service Organization  
Presentation**

**TDVS 2025**

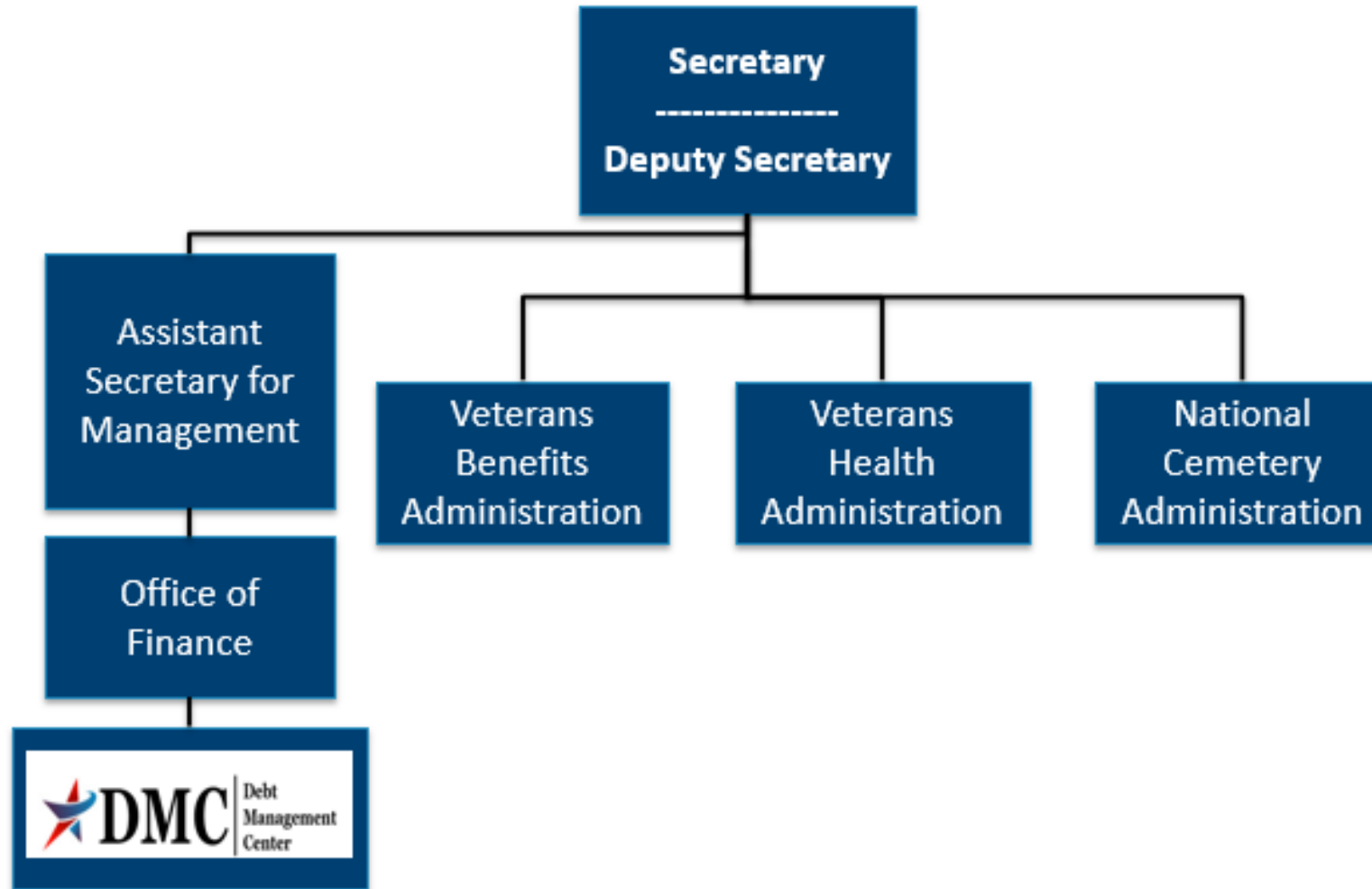


# Agenda

- **DMC overview**
- **Debt establishment**
- **Collection process**
- **Debt resolution options**
- **Risks of non-payment**
- **Contact Information**
- **Questions**



# Organization Chart





# DMC Mission

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



# Debt Establishment

## Regional Office (RO)/Regional Processing Office (RPO) Receives information

- Education Certification
- Change in circumstances affecting benefit eligibility or entitlement

## RO/RPO Processes Claim/Award

- Evaluates eligibility/entitlement
- Issues payments and establishes debts
- Sends a letter when payments are issued or debt created

## DMC Collects Debts

- Sends collection letters for debts
- Processes collection actions



# Debt Establishment

## Compensation/ Pension

- Changes in income or net worth
- Active-duty time or drill pay days
- Change in dependency
- Fugitive felon status or incarceration
- Payments issued after death of beneficiary

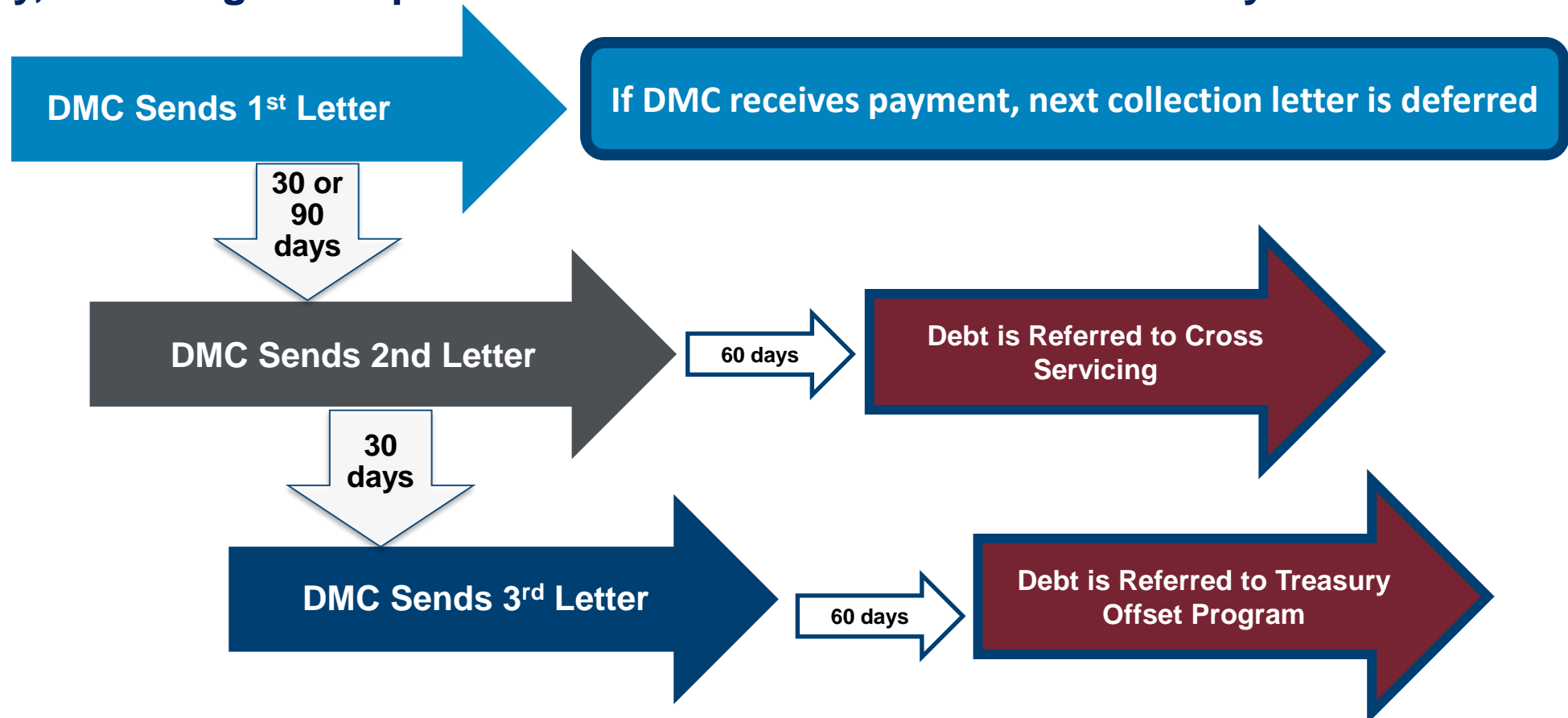
## Education

- Withdrawal from class
- Not attending class
- Class did not count toward graduation
- Change in active-duty status



# 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**





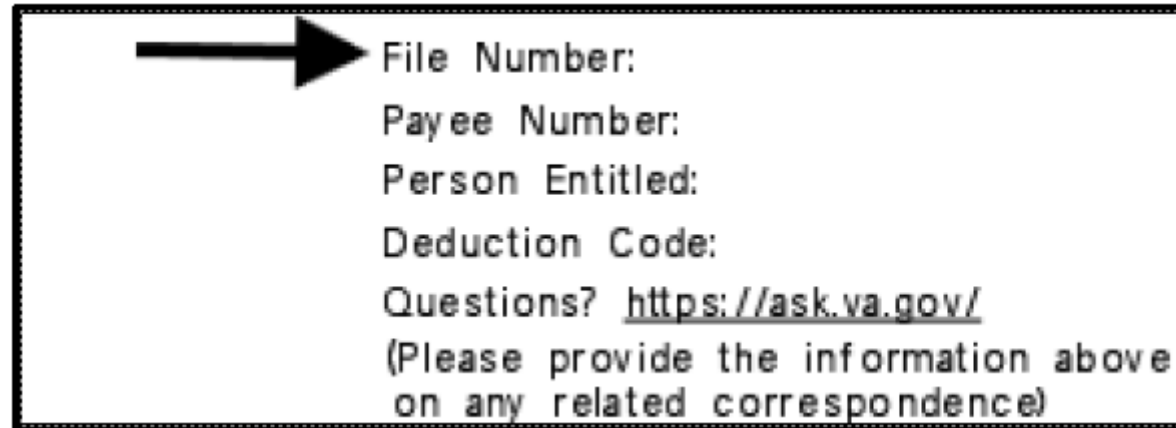
# Update to Education Debt Identification

- **DMC transitioned from using VA File Number or SSN to a debt specific Receivable ID to improve security effective August 4<sup>th</sup>, 2025**
- **For all education debts, Receivable ID will be required instead of File number on [pay.va.gov](https://pay.va.gov)**
- **If a student needs assistance identifying their Receivable ID:**
  - Visit the Debt Portal at [www.va.gov/manage-va-debt](https://www.va.gov/manage-va-debt) and go to “more details” to find the Receivable ID
  - Call 1-800-827-0648 (6:30 a.m. to 6 p.m. CT Monday through Friday) to ask a debt counselor
  - Send a message to <https://ask.va.gov/>



# Update to Education Debt Identification

**The Receivable ID will be viewable on education letters in the current file number field on the top right of the page. Although the number will now be the Receivable ID, the letter will still say “File Number”. You will know it is a Receivable ID if the entire number is visible. Previously listed file numbers only show the last 4-digits.**

A screenshot of an education letter form is shown within a black-bordered box. A black arrow points from the left towards the "File Number:" field. The form contains the following text:

File Number:  
Payee Number:  
Person Entitled:  
Deduction Code:  
Questions? <https://ask.va.gov/>  
(Please provide the information above  
on any related correspondence)



# Relief, Resolution, and Referrals

## DMC sends Debt Notice

### Debtor contacts DMC

- Pay In Full
- Benefits Offset in Full or in Part
- Payment plan
- Compromise
- Waiver/Waiver Reconsideration
- Dispute
- Temporary Suspension

### No Action/Payment

- Benefits offset in Full
- Referral to:
  - TOP
  - Cross-Servicing



# FAQ: What makes a “good” waiver request?

**Answer: There is no formula to guarantee the outcome of a waiver. Here are some things to bear in mind:**

- Indication of fraud, misrepresentation, or bad faith precludes granting of a waiver (See 38 U.S.C 5302(c) )
- Request should explain facts and circumstances to enable the committee to consider the standards of equity and good conscience (see 38 C.F.R 1.965 for more details ):
  - fault of debtor
  - undue hardship
  - unjust enrichment
  - balance of faults
  - defeat the purpose
  - changing position to one’s detriment
- An accurate VA Form 5655 Financial Status Report facilitates evaluation of financial hardship



# FAQ: How to Appeal a Waiver Decision ?

**Language from Committee on Waivers and Compromises (COWC) letter:**

## **What You Should Do If You Disagree with Our Decision**

If you do not agree with our decision on your waiver request, you may file an appeal. To file an appeal, you need to submit a Notice of Disagreement (Reconsideration Request) to DMC or a VA Form 10182 to the Board of Veterans' Appeals. Please read the enclosed "Notice of Rights to Appeal" for more information.

**\*\*\* Veterans should not use VA form 10182, 20-0996, or 20-0995 to appeal a waiver decision with DMC\*\*\***



# Appealing a Waiver Decision continued

Send to	Form to use	Info to include	Reviewed by	Stops collection?
<b>DMC</b>	<b>None- request must be in writing</b>	<b>Indicate request is for reconsideration of waiver decision, include support for reconsideration</b>	<b>COWC</b>	<b>No</b>
<b>BVA</b>	<b>VA Form 10182</b>	<b>Complete form including signature</b>	<b>Board of Veterans Appeals</b>	<b>No</b>



# What if Payment is not Made?

## No Action/Payment

- **Benefits offset in Full**
- **Referral to:**
  - **TOP**
  - **Cross-Servicing**

- **Future VA benefits awarded will be withheld to satisfy debt**
- **Department of Treasury**
  - **Offset of Federal payments**
  - **Referral to private collection agencies**
  - **Administrative Wage Garnishment Program**



# VA Debt Portal for Veterans

- **Debt Portal: <https://www.va.gov/manage-va-debt/>**
  - **Veterans can log in to view balances**
  - **FAQ's**
  - **Email notifications to Veterans**
  - **Online VA Form 5655 Financial Status Report (FSR) with "wizard"**
  - **Online Dispute**
  - **More enhancements to come**



# Ask VA (AVA)- DMC Tips

- Located at <https://www.va.gov/contact-us/ask-va/>

## Welcome to Ask VA (AVA)

Get the most complete experience by signing in before starting your message!

When you're signed in you will enjoy these benefits:

- Track your message from submission to resolution
- Receive secure responses that will protect your personal information
- See all your past messages and responses

Create Account/Sign in to start your message

Start your message without signing in

Looking for the status of an Inquiry? Enter your reference number below:

Find My Inquiry





# AVA- DMC Tips

Tell us about your question

Which category best describes your question? (\*Required)

Debt for benefit overpayments and health care copay bills



Which topic best describes your question? (\*Required)

Disability compensation overpayments



Options to reach DMC are found under “Debt for benefit overpayments and health care copay bills” category and topics are used to select the type of debt for proper routing



# At Risk Veterans

If Veterans are homeless or facing eviction, please let us know when you contact DMC



Text 838255

[www.VeteransCrisisLine.net](http://www.VeteransCrisisLine.net)  
(online chat)

Veterans having difficulty with a VA-guaranteed home loan can call  
**1-877-827-3702**  
to reach the nearest Loan Guaranty office



National Call Center  
for Homeless Veterans  
**877-424-3838**  
[va.gov/homeless](http://va.gov/homeless)



# Become a Debt Superstar (Contact DMC)

<https://www.va.gov/manage-va-debt/>

Veteran Debt Portal

<https://ask.va.gov>

Online inquiry system

800-827-0648

DMC Veteran Toll Free Line

612-970-5688

Fax

**844-261-6570**

**DMC VSO Only Line**





# DMC Presentation Survey

**DMC values your time and feedback on our presentation. We would appreciate it if you're able to complete the survey below.**

**<https://www.surveymonkey.com/r/DMCVSO>**



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# Additional Information



# Pay in Full

- **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**
- **Pay online: [www.pay.va.gov](http://www.pay.va.gov)**
- **Pay by telephone: 800-827-0648**



# Withholding VA Benefits

- **Automatic 36-month repayment plan for compensation and pension debts**
- **Automated benefit offset for education debts**
- **If debtors have financial hardship, please have them contact DMC**
- **VA Form 5655, Financial Status Report, is required for any reduced withholding arrangement beyond 60 months**



# Compromise

- **Debtors should send letter to DMC indicating “compromise offer” and specifying amount**
- **Offer should be a “lump sum”**
- **Offer must include VA Form 5655**
- **DMC refers offers to the Committee on Compromises**

**\*\*\* Payment should not be sent until the debtor receives a decision accepting the offer\*\*\***



# Waiver

- **Debtors have one year from date of first DMC debt letter to request waiver**
- **Request must be:**
  - **Made in writing and submitted to DMC**
  - **Include VA Form 5655 Financial Status Report**
  - **Explain why debtor is unable to repay the debt**
  - **Received in the first 30 days for Education or 90 days for C&P debt to stop collection action**



# Dispute

- **Debtors can dispute the existence or amount of the debt created by VBA**
- **Dispute must be in writing**
- **DMC forwards disputes to the Regional Office/Regional Processing Office of jurisdiction**
- **Veterans can now submit through online debt portal**



# Temporary Suspension

- **Disaster Relief**
- **Case by case financial hardship**
- **Does not extend timeline to request waiver**



# Letter Example: No Automated Plan



DEPARTMENT OF VETERANS AFFAIRS  
Debt Management Center  
Bishop Henry Whipple Federal Building  
P.O. Box 11930

The Department of Veterans Affairs recently sent you a letter explaining that your entitlement to education benefits had changed. As a result, you were paid more than you were entitled to receive. This overpayment represents

The Department of Veterans Affairs recently sent you a letter explaining that your entitlement to education benefits had changed. As a result, you were paid more than you were entitled to receive. This overpayment represents

We regret the inconvenience and would like to help you manage your debt. For questions or assistance:

We regret the inconvenience and would like to help you manage your debt. For questions or assistance:

- Call 1-800-827-0648 (6:30 a.m. to 6:00 p.m. CT, Monday through Friday), or
- Visit our Debt Portal at [www.va.gov/manage-va-debt](http://www.va.gov/manage-va-debt)

**PLEASE TAKE ACTION**  
To avoid referral to the Department of the Treasury, which can increase your debt amount by more than 30%, please contact us or pay this bill. Please refer to the back of this letter for payment methods.

## PLEASE TAKE ACTION

To avoid referral to the Department of the Treasury, which can increase your debt amount by more than 30%, please contact us or pay this bill. Please refer to the back of this letter for payment methods.

FOR PROPER CREDIT TO YOUR ACCOUNT, PLEASE DETACH AND RETURN WITH YOUR PAYMENT

Department of Veterans Affairs PAYMENT REMITTANCE

* FILE NO.	AMOUNT ENCLOSED	ENTER YOUR CHECK# ADDRESS BELOW ONLY IF THE ONE ABOVE IS INCORRECT. PLEASE INCLUDE YOUR ZIP CODE.
PAYEE NO.	\$	
PERSON ENTITLED	YOUR TELEPHONE NO. (Include Area Code)	
DEDUCTION CODE		


\* Please include this number on your check or money order.

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# Letter Example: Automatic 36 month

 **DEPARTMENT OF VETERANS AFFAIRS**  
Debt Management Center  
Bishop Henry Whipple Federal Building  
P.O. Box 11930  
St. Paul, MN 55111-0930

The Department of Veterans Affairs recently sent you a letter explaining that your entitlement to benefits had changed. As a result, you were paid more than you were entitled to receive. Since you are currently receiving VA benefits, we plan to withhold until the amount you were overpaid is recouped. The withholding is scheduled to begin on [redacted].

We regret the inconvenience and would like to help you manage your debt. We have automatically placed you on a 36-month recoupment plan (minimum \$25) or we will withhold your full benefit amount (whichever is less) until the debt is recouped in full. To pay your debt in full please refer to the back of this letter or see below for additional options.


For questions or assistance:

- Call 1-800-827-0648 (6:30 a.m. to 6:00 p.m. CT, Monday through Friday), or
- Visit our Debt Portal at [www.va.gov/manage-va-debt](https://www.va.gov/manage-va-debt)

**ADDITIONAL OPTIONS**  
Some of the following options may require you to complete and submit the FSR.

1. **Payment Plan** - If you would like to pay your debt in full, you would like to pay and...
2. **Dispute** - If you disagree with the amount you would like to pay and...
3. **Waiver** - If you believe you should not be required to pay the debt, you should submit a letter explaining the hardship, you must submit a letter FSR to the DMC. If you want an...
4. **Compromise** - You can request a compromise of your debt. To do this, you must submit a letter specifically state the amount you are willing to pay for the specific debt you are making an...
5. **Appeal** - To appeal the decision, you must submit a letter to the Processing Office listed under the "FOR PROPER CREDIT TO YOUR ACCOUNT, PLEASE DETACH AND RETURN WITH YOUR PAYMENT" section. You may also visit <https://www.va.gov>

FOR PROPER CREDIT TO YOUR ACCOUNT, PLEASE DETACH AND RETURN WITH YOUR PAYMENT

 Department of Veterans Affairs **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.	\$	
PERSON ENTITLED	YOUR TELEPHONE NO.	
DEDUCTION CODE	(With Area Code)	

\* Please include this number on your check or money order.

10-64786-0001 10/23

The Department of Veterans Affairs recently sent you a letter explaining that your entitlement to benefits had changed. As a result, you were paid more than you were entitled to receive. Since you are currently receiving VA benefits, we plan to withhold until the amount you were overpaid is recouped.

The withholding is scheduled to begin on

We regret the inconvenience and would like to help you manage your debt. We have automatically placed you on a 36-month recoupment plan (minimum \$25) or we will withhold your full benefit amount (whichever is less) until the debt is recouped in full. To pay your debt in full please refer to the back of this letter or see below for additional options.

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- Visit our Debt Portal at [www.va.gov/manage-va-debt](https://www.va.gov/manage-va-debt)



# FAQ: What happens when a debtor dies?

**Answer: DMC reviews the account and may request funds from the debtor's estate. Some things to bear in mind:**

- VA does not prorate monthly benefits when someone dies, so the payment for the month of death often creates a debt
- Surviving spouses may be eligible for a month of death benefit, and if eligible that payment must be issued to the surviving spouse by VA, they cannot keep a payment VA issued to their deceased spouse. The Regional Office handles issuing month of death payments for eligible surviving spouses
- Unless there is fraud, VA does not pursue collection from a specific individual, but rather from the estate of the deceased debtor



# VHA Debts

- For questions about medical care and pharmacy services copayment debt, contact the Health Resource Center:
  - 1-866-400-1238
- VA has options for Veterans who suffer from difficult financial circumstances and struggle to pay VA copayments:
  - Health Resource Center: 1-866-400-1238
  - [https://www.va.gov/COMMUNITYCARE/revenue\\_ops/Financial\\_Hardship.asp](https://www.va.gov/COMMUNITYCARE/revenue_ops/Financial_Hardship.asp)



# Federal Debt Collection Laws

- **The Debt Collection Act of 1982**
  - Authority for collection by administrative offset
- **The Debt Collection Improvement Act (DCIA) of 1996**
  - Agencies required to refer delinquent non-tax debts to the Department of Treasury at 180 days
- **Digital Accountability and Transparency Act (DATA) of 2014**
  - Changed referral requirement for delinquent non-tax debts from 180 days to 120 days