VA to resume debt collections in the new year

On January 1, 2021, VA’s Debt Management Center is planning to restart all debt collections—new debts and those which have been paused during the COVID-19 pandemic. In April 2020, the debts had been temporarily halted in an effort to relieve some of the financial hardships faced by veterans during the unprecedented economic shutdown.

Some key pieces of information to remember:

- The Debt Management Center will not start collecting on January 1, but will start the due process and will give veterans 90 days to respond.
- Veterans who currently have their debts paused can ask for an extension.
- The Debt Management Center changed their practice from an automatic 12-month repayment plan to an automatic 36-month repayment plan.

“It’s important to note that while debt collections will resume, veterans will have the opportunity to ask for their debts to be put on hold again,” said National Service Director Jim Marszalek. “The VA is required to give veterans the opportunity to respond before collecting on these debts.”

If you have questions regarding your VA debt, please call The Debt Management Center at 1-800-827-0648.