

VAU.S. Department
of Veterans Affairs

News Release

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VA extends temporary hardship suspension for benefit debts

WASHINGTON — The Department of Veterans Affairs is extending its financial hardship suspension on benefit debts through Dec. 31. This relief option, established to help Veterans through the COVID-19 pandemic, was set to expire Sept. 30.

Beginning in September, debt notification letters will be mailed to affected Veterans advising them of the extended hardship suspension option, as well as extended debt repayment plans, waivers and compromises. Benefit debts include debts related to disability compensation, non-service-connected pension and education benefits.

“Helping Veterans manage, pay off, and — in some cases — eliminate their debt is one of our top priorities,” said **VA Secretary Denis McDonough**. “Extending this hardship suspension is a key part of that critical effort, and it will help ease the burden for Veterans who are living with debt.”

In recent years, VA has made real progress toward helping Veterans manage their debts. These efforts include:

- Canceling copayments for medical care and pharmacy services from April 6, 2020 to Sept. 30, 2021, which saved more than 1.5 million Veterans about \$1 billion dollars.
- [Publishing a final rule](#) that reduced the number of Veterans referred to credit agencies by 99%, meaning medical debt will no longer affect those Veterans’ credit scores.
- Transitioning from a complex paper application to enhanced online tools where Veterans can [learn about what they owe](#) and apply for relief.
- Improving the review process for debt forgiveness by implementing a simpler income threshold to qualify for relief.
- Streamlining the Veterans Health Administration debt waiver process for medical debts, requiring less paperwork for Veterans, while expediting processing times and expanding relief eligibility.
- Establishing a phone hotline in October 2021 for Veterans Health Administration clinicians to call on behalf of Veterans who appear to be experiencing significant anxiety related to their benefit debt.
- Temporarily eliminating the requirement for a [Financial Status Report](#) to receive a hardship determination.

Veterans and beneficiaries can [manage their debt online](#) or call 800-827-0648 with questions regarding benefit overpayments.

For information about medical care and pharmacy copayment debt, Veterans and beneficiaries can contact the Health Resource Center at 866-400-1238.

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