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Employment and Training Division**
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Tony Evers, Governor
Amy Pechacek, Secretary-designee

August 31, 2022

TO: Workforce Development Board Directors

FROM: Annette Meudt 
Director, Bureau of Workforce Training

RE: Student Loan Default and WIOA Eligibility

MESSAGE:

The U.S. Department of Labor (DOL) Region 5 Office recently relayed information in regard to Workforce Innovation and Opportunity Act (WIOA) Title I funds and default status on a Federal Student Loan or State Student Loan. DOL has determined that states may not impose restrictions regarding default status that are not written in regulations. Therefore, WIOA programs and services cannot be denied solely due to an individual's Federal Student Loan or State Student Loan being in default status.

Many unemployed or underemployed individuals are unable to make even minimal payments to get out of default. Financial literacy services and the provision of information regarding repayment of student loan default are recommended services for individuals in default, prior to and during training funded by Title I. Information on Student Loan Repayment may be found at <https://studentaid.gov/manage-loans/repayment>.

Please distribute this guidance to Workforce Development Board staff, Local Service Providers, and all appropriate staff.

Any questions related to the guidance should be addressed to the Local Program Liaison assigned to your local area. Contact information is located at <https://dwd.wisconsin.gov/wioa/contact.htm>.