

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT
ICE Policy System

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DIRECTIVE TITLE: ICE REPAYMENT OF STUDENT LOANS FOR RECRUITMENT

1. **PURPOSE and SCOPE.** This Directive establishes policy and procedures for repaying certain federally insured student loans made by educational institutions or banks and other private lenders as long as the employee agrees to remain in service for at least 36 months. This authority is to be used to attract individuals to federal service who have high or unique qualifications or where there is a special need for the employee's services. This Directive applies to all U.S. Immigration and Customs Enforcement (ICE) program offices.
2. **AUTHORITIES/REFERENCES**
 - 2.1. Title 5 of the United States Code (U.S.C.) § 5379, "Student Loan Repayments."
 - 2.2. Title 5, Code of Federal Regulations (CFR), Part 537, "Repayment of Student Loans."
 - 2.3. Department of Homeland Security (DHS) Management Directive (MD) Number 3171, "Repayment of Student Loans for Recruitment and Retention," August 14, 2006.
3. **SUPERSEDED/CANCELLED POLICY/SUMMARY OF CHANGES.** This Directive is the originating and establishing directive for ICE policy on repayment of student loans for recruitment.
4. **BACKGROUND.** Under the direction of the Assistant Secretary, ICE is charged with enforcing immigration and customs laws, collecting intelligence, protecting specified federal buildings, and any other functions as the Secretary of Homeland Security may direct. It is critical that ICE employ a highly qualified workforce to perform the work required to accomplish this mission. It is also critical that ICE recruit a highly qualified workforce to maintain focus and continuity in fulfilling its responsibilities. Under federal regulations, ICE may repay federal student loans as an incentive to recruit an employee when ICE has determined that the employee's position is likely to be difficult to fill in the absence of an incentive.
5. **DEFINITIONS.** The following definitions are provided for the purposes of this Directive:

5.1. Approving Official. An approving official is an ICE management official who has been delegated the authority to approve payment and to certify the availability of funds for use under this Directive.

5.2. Eligible Employee. For the purposes of this Directive eligible employees shall include:

- a) Permanent employees;
- b) Employees serving a term appointment with at least three (3) years remaining on their appointment;
- c) Employees serving in excepted appointments who expect to convert to term, career, or career-conditional appointments (e.g., Presidential Management Fellows, Veterans' Readjustment Appointments (VRAs), and career interns); and
- d) Temporary employees under 5 CFR § 315.704 who are serving on appointments leading to conversion to term or permanent appointments.

NOTE: Excepted service employees appointed under the Schedule C authority are *not* eligible for student loan repayment benefits.

5.3. ICE Principal Field Officers (PFOs) are the Office of Investigations (OI) Special Agents in Charge (SACs), Office of Professional Responsibility (OPR) SACs, Office of International Affairs (OIA) Attachés, Office of Detention and Removal Operations (DRO) Field Office Directors (FODs), Federal Protective Service (FPS) Regional Directors (RDs), Office of Intelligence (INTEL) Field Intelligence Unit (FIU) Directors, and other officials as designated in writing by the ICE Assistant Secretary.

5.4. ICE Principal Headquarters Officers (PHOs) are the Deputy Assistant Secretaries, Program Office Directors, Deputy Directors, Assistant Directors, and Deputy Assistant Directors.

5.5. Service Agreement: A written agreement executed by an employee in order to participate in the student loan repayment program wherein the employee agrees to a specified period of employment with ICE of not less than 36 months in return for the payments on the student loan(s) taken out by the employee.

5.6. Student Loan: A loan made, insured, or guaranteed under parts B, D, or E of title IV of the Higher Education Act of 1965, or a health education assistance loan made or insured under part A of title VII of the Public Health Service Act or under part E of title VIII of that Act, including the following:

- 1) Federal Family Education Loans (FFEL) – Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford Loans, Federal PLUS Loans, and Federal Consolidation Loans;

- 2) William D. Ford Direct Loan Program (Direct Loans) – Direct Subsidized Stafford Loans, Direct Unsubsidized Stafford Loans, Direct PLUS Loans, Direct Subsidized Consolidation Loans, and Direct Unsubsidized Consolidation Loans;
 - 3) Federal Perkins Loan Program – National Defense Student Loans (made before July 1, 1972), National Direct Student Loans (made between July 1, 1972, and July 1, 1987), and Perkins Loans (made after July 1, 1987); and
 - 4) Loans made or insured under the Public Health Service Act – Loans for Disadvantaged Students (LDS), Primary Care Loans (PCL), Nursing Student Loans (NSL), Health Professions Student Loans (HPSL), and Health Education Assistance Loans (HEAL).
6. **POLICY.** PHOs and PFOs are authorized to offer student loan repayment and to approve agreements for student loan repayment as a recruitment tool. They may delegate the authority to offer student loan repayments to managers or front-line supervisors, but the authority to approve student loan repayment agreements may not be delegated to a level lower than a second level supervisor.
7. **RESPONSIBILITIES**
- 7.1. The Assistant Secretary, ICE, establishes the general policy direction for the administration of student loan repayments and evaluates the effectiveness of the program within ICE.
- 7.2. The Director, Office of Human Capital (OHC):
- 1) Prepares written policy guidance for the administration of the student loan repayment program within ICE in coordination with the DHS Office of Human Capital Services;
 - 2) Provides technical advice and assistance to Program Offices;
 - 3) Monitors program office compliance with merit system principles when offering student loan repayments authorized within their organizations and that approving officials take into consideration the need to maintain a balanced and diverse workforce;
 - 4) Ensures that management responsibilities under labor relations statutes and union agreements are fulfilled, if applicable, at the level of recognition; and
 - 5) Prepares the required annual (or as otherwise requested by DHS) ICE-wide report on the agency's use of the student loan repayment program and ensures it is forwarded in a timely manner to DHS' Office of the Chief Human Capital Officer (CHCO) for inclusion in their annual report due to the Office of Personnel Management (OPM) before January 1st of each year. The report must identify the number of employees receiving benefits under the program, their job classifications, and the dollar amount of the benefits provided.

7.3. PHOs and PFOs must ensure compliance with merit system principles and take into consideration the need to maintain a balanced and diverse workforce when selecting employees to receive loan repayment benefits.

7.4. Program Office Management Support Divisions:

- 1) Ensure the availability of funds prior to authorizing reimbursement;
- 2) Coordinate with PHOs and PFOs in the preparation of the written justification for loan repayments and maintain case files;
- 3) Provide information needed to process the reimbursement request to the servicing payroll office;
- 4) Coordinate with the Servicing Human Capital Office to document the payment in the employee's records with Nature of Action Code (NOAC) 817;
- 5) Maintain a record of each written determination in support of the repayment of a student loan and ensure that these records are available for review upon request from OPM;
- 6) Retain a record of each written determination for a minimum of 3 years after which time they may be destroyed;
- 7) Verify that a student loan is federally insured and eligible for repayment under this program;
- 8) Verify the current loan balance at the time of the initial payment and any subsequent payment;
- 9) Reach agreement with the loan holder on terms of payment;
- 10) Ensure that the employee signs the student loan repayment service agreement prior to payment;
- 11) Obtain proper approval from the approving official, including a certification of the availability of funds;
- 12) Obtain approval before the employee enters on duty; and
- 13) Provide documentation to OHC for incorporation into ICE-wide reports.

7.5. Employees:

- 1) Make loan payments on the portion of the loan that continues to be the employee's responsibility;
- 2) Pay any income tax obligation(s) resulting from the loan repayment benefit; and

- 3) Fulfill the requirements of the service agreement.

8. PROCEDURES

8.1. Criteria for Payment

- 1) Eligible employees may be considered for student loan repayment benefits up to ten-thousand dollars (\$10,000) per calendar year, with a sixty- thousand dollar (\$60,000) agency maximum for any individual. More than one (1) loan may be repaid if the combined repayments do not exceed these limits.
- 2) Student loan repayment benefits may be provided only for **recruitment** purposes under this Directive.
- 3) Loan repayment to an employee may be authorized upon a determination that in the absence of a loan repayment benefit ICE would have difficulty filling the position with a highly qualified candidate.
- 4) This determination and any approval based upon this determination authorizing an offer of student loan repayment to an employee as an incentive for recruitment purposes must be in writing and must be made *before* the employee officially enters on duty.
 - a) Factors that should be considered and which should be addressed in the written determination when deciding whether to offer the benefit to an employee include:
 - 1) The success of recent efforts to recruit suitable candidates for similar positions, including such indicators as offer acceptance rates, the proportion of positions filled, and the length of time required to fill positions;
 - 2) Recent turnover in the same or similar positions;
 - 3) Labor market factors that affect the ability to recruit for similar positions; and
 - 4) Highly specialized skills or qualifications needed for the position.
 - b) Factors that should be considered, and which must be documented in the written determination, when deciding the amount of a loan repayment benefit include:
 - 1) The severity of the recruiting problem;
 - 2) Current salary of the candidate;

- 3) The disparity in cost of living between the candidate's current residence and the proposed duty station;
- 4) The extent of the individual's past training and experience that serves to qualify him/her for the position; and
- 5) Availability of funds.

8.2. Service Agreement

- 1) Before any loan repayment may be made for recruitment purposes, the employee must sign a written service agreement.
 - a) The agreement must be to serve for a minimum of three (3) years with ICE, regardless of the amount of repayment authorized.
 - b) This three (3) year period will begin when the first payment is made to the holder of the loan.
 - c) Additional annual loan repayment amounts may be authorized during the period of the initial service agreement subject to review and recertification that funds are available, up to an amount not to exceed the annual limit per employee (\$10,000), and up to an amount not to exceed the maximum lifetime limit per employee (\$60,000).
 - d) Any annual loan repayment made after completion of the initial service agreement will extend the service agreement by one additional year for each additional annual payment. Maximum repayment limits cited above continue to apply.
- 2) The agreement may specify employment conditions considered appropriate, such as, but not limited to:
 - a) The employee's position;
 - b) The duties he or she is expected to perform;
 - c) The employee's work schedule; and
 - d) The employee's required level of performance.
- 3) The service agreement does not constitute a right, promise, or entitlement to continued employment or noncompetitive conversion to the competitive service, nor does it limit management's right to take corrective or disciplinary actions as otherwise appropriate.

8.3. Failure to Complete a Service Agreement. An employee who, voluntarily or because of performance or misconduct, fails to complete the agreed-upon period of service must refund the full amount of benefits received during the initial three (3) year period.

Employees who fail to complete the period of service under a one (1) year extension (e.g., fourth year, fifth year), must repay the amount of the benefits received in the extension year only. If an employee fails to reimburse ICE, the amount outstanding will be recovered from the employee under established debt collection procedures.

8.4. Waiver of Repayment

- 1) Repayment may be waived wholly or in part at the discretion of the Assistant Secretary if recovery would not be in the public interest or would be against equity and good conscience.
 - a) In making this determination, the Assistant Secretary will take into account consistency, fairness, and the cost to the taxpayer of recovering monies owed to the government.
 - b) A waiver may be considered, but is not automatic, when an employee accepts a position in another component of DHS.
- 2) Repayment is automatically waived when an employee fails to complete the service agreement due to death, disability retirement, or inability to continue working due to disability supported by medical documentation acceptable to the approving official.

8.5. Processing Instructions. In order to process the reimbursement request and ensure appropriate tax withholdings are made, the following documents and information must be provided to the employing office's servicing payroll office:

- 1) A copy of the signed service agreement; and
- 2) A copy of the statement from the employee's lending institution verifying the outstanding loan amount(s), the employee's loan account number(s), the lending institution's Federal Tax Identification Number, and the lending institution's Electronic Funds Transfer (EFT) routing numbers.

8.6. Procedures for Making Loan Repayments

- 1) The National Finance Center (NFC) shall make payments directly to the lending institution holding the loan on behalf of the employee by EFT. NFC will make one (1) annual payment of the amount specified by the service agreement each year a payment is authorized. Payments shall be applied only to indebtedness outstanding at the time the agreement is signed, and no payment shall be made before an employee enters on duty. The employee shall provide updated loan documentation for each annual payment.
- 2) Loan repayment benefits made under this authority are in addition to basic pay. These benefits are subject to federal income tax, Federal Insurance Contributions Act (FICA) and Medicare withholding, and any state or local income tax withholdings that may be applicable. NFC shall deduct tax withholdings at the time payment is made.

- 3) The total disbursements (payment to lender, taxes, FICA, etc.) shall be used to determine whether the annual and/or agency maximum payment limitations apply.

9. ATTACHMENTS

- 9.1. Attachment 1. Repayment of Student Loan Request Format.
- 9.2. Attachment 2. ICE Annual Report, Student Loan Repayment Program, Outstanding Loan Information.
- 9.3. Attachment 3. Service Agreement.
10. **NO PRIVATE RIGHT STATEMENT. This Directive is an internal policy statement of ICE. It is not intended to, and does not create any rights, privileges, or benefits, substantive or procedural, enforceable by any party against the United States; its departments, agencies, or other entities; its officers or employees; or any other person.**

Approved



Julie L. Myers
Assistant Secretary
U.S. Immigration and Customs Enforcement

REPAYMENT OF STUDENT LOAN REQUEST FORMAT

Recommendation and Request for Approval of Repayment of a Student Loan

- A. Candidate's name _____
- B. Amount recommended _____
(Expressed as an amount not to exceed the \$10,000 per year limit (as of August 2007) and not to exceed the current \$60,000 in total limit (as of August 2007).)
- C. Justification (in narrative form and sufficient detail) for the loan repayment offer and amount. To be completed by the management official recommending the loan repayment. The justification should include the following:
- 1) A description of the employee's unusually high or unique qualifications, or an explanation of the special need for his or her services, as applicable.
 - 2) The success of recent efforts to recruit candidates with qualifications similar to those possessed by the employee.
 - 3) An explanation of the extent to which other available recruitment incentives were considered or offered. This should include discussion of the relative advantages and disadvantages, both for ICE and for the employee, of making student loan repayments versus using other recruitment incentives, e.g., a recruitment bonus.
 - 4) The criteria used to determine the minimum amount needed to recruit the employee. This should include an explanation of the difficulty ICE would face, in the absence of loan repayment, in filling the position with a highly qualified employee.
 - 5) Confirmation that the loan to be repaid was: made, insured, or guaranteed under parts B, D or E of title IV of the Higher Education Act of 1965; or a health education assistance loan made or insured under part A of title VII of the Public Health Service Act, or under part E of title VIII of that Act.
 - 6) The availability of funds to repay the student loan, including fund citation.
- D. Funding. Requesting office will fund this program from existing budget. Provide a detailed analysis of the requesting office's planned spending through the remainder of the fiscal year.

(Recommending Official)

(Date)

(Program Office, Budget Officer) (Accounting Classification Code/Funding Cite) (Date)

I have reviewed the justification for the student loan repayment benefit and consulted with the Program Office Budget Officer and with the Director, Office of Human Capital. I approve the allowance and certify that funds are available.

(Approving Official)

(Date)

OR

I disapprove the allowance.

(Approving Official)

(Date)

The above approving official has consulted with me and I have reviewed the recommendation to repay a student loan. The regulatory requirements for payment of the loan(s) have been:

☐ Addressed

☐ Have Not Been Addressed

My comments, if any, are attached.

(Director, Office of Human Capital)

(Date)

**ICE ANNUAL REPORT
STUDENT LOAN REPAYMENT PROGRAM
OUTSTANDING LOAN INFORMATION**

NAME: _____

SSN: _____

TITLE: _____

SERIES/GRADE/STEP _____

TYPE OF APPOINTMENT _____

The following information is required annually for each lender of loan(s) being considered for or being paid under the U.S. Immigration and Customs Enforcement (ICE) Student Loan Repayment Program.

1. Loan information:*

a. Name of the federally funded loan received (e.g., Federal Stafford Loan, Federal Plus Loan, Federally Insured Loan, etc.):

b. Date loan was obtained; date of first student loan repayment:

c. Current balance of outstanding loan:

d. Loan number:

e. Student loan repayment benefit amount requested:

f. Student loan repayment benefit for year number: (circle one)**
1 2 3 4 5 6 Other _____

g. Total amount of student loan repayment benefit received to date (include amount requested under (e)).

2. Name, address, and telephone number for the lending institution holding the loan (e.g., bank, educational institution).

3. Name, address, and telephone number of servicing agent of the loan to whom payments are sent (if different from #2).

4. Name, title and telephone number of authorized official for the lending institution.

5. Federal Tax Identification Number or Employee Identification Number required for sending payments).

6. Employee's Compensation:

Base/Locality Pay	\$	_____
Other Continuing Pay, e.g., retention allowance	\$	_____
Premium Pay, e.g., AUO, LEAP	\$	_____
Other Payments, e.g., lump sum payments	\$	_____
Student Loan Repayment Benefit amount this year	\$	_____
 TOTAL COMPENSATION	 \$	 _____

Recommending Official	Title	Date
Signature _____		

Budget Officer	Funding Cite	Date
Signature _____		

Approving Official/Certification of Funds	Title	Date
Signature _____		

Personnel Official	Title	Date
Signature _____		

Effective Date _____

Expiration Date _____

* An official document/letter by the loan institution providing the above loan information must be attached.

** Service agreement must be attached.

SERVICE AGREEMENT

In consideration of the payments that will be made on my outstanding federally insured student loan balance, I, _____, agree to remain in the service of
(first name, middle initial, last name)

U. S. Immigration and Customs Enforcement (ICE), Department of Homeland Security, for a period of _____ beginning on the date the first repayment is made.
(indicate term of at least 36 months)

The loan subject to this agreement is not in default and no late fees are pending.

I agree to reimburse the Government for any repaid amounts if I do not complete this period of service because I: (a) voluntarily leave the Department of Homeland Security, including voluntary separation from the Department of Homeland Security and transfer to another federal agency; or (b) am involuntarily separated due to misconduct or performance.

I enter into this agreement with the understanding that:

The loan repayment schedule will be as follows: ICE will repay *[insert dollar amount]*, an outstanding federally insured student loan under *[insert statutory basis for loan, e.g., "Part B of Title IV of the Higher Education Act of 1965"]*, directly to *[insert name of loan source]*, in *[insert payment frequency and amount, e.g., "one payment of \$4,000 in fiscal year 2007 and one payment of \$4,000 in fiscal year 2008"]*;

Appropriate tax withholdings will be made at the time of each repayment;

I am responsible for any applicable taxes on the repaid amounts;

I am responsible for the repayment of any outstanding loan amounts not covered by the loan repayment schedule, and for any applicable late fees;

I will lose eligibility for continued loan repayment benefits if I (a) separate from the Department of Homeland Security; (b) do not maintain an acceptable level of job performance; or (c) violate any of the conditions of this agreement;

I may request a waiver of any required reimbursement to the Government;

This agreement in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service (if applicable); and

The amount to be repaid may be changed without requiring a new service agreement *[if ICE agrees to do so]*. Due to budgetary considerations, a determination to convert, continue, or extend the benefit must be submitted annually. The approving official may use the annual report form to comply with this provision.

Employee signature

Date

Approving Official signature

Date