



**DEPARTMENT OF WAR  
DEFENSE OFFICE OF HEARINGS AND APPEALS**



In the matter of:	)	
	)	
	)	ISCR Case No. 25-00145
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Erin P. Thompson, Esq., Department Counsel  
For Applicant: *Pro se*

05/12/2026

**Decision**

BORGSTROM, Eric H., Administrative Judge:

Applicant mitigated the financial considerations security concerns arising from his delinquent student loans. Eligibility for access to classified information is granted.

**Statement of the Case**

On July 2, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing a security concern under Guideline F (financial considerations). The DCSA acted under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) implemented on June 8, 2017.

In Applicant’s August 5, 2025 response to the SOR (Answer), he denied the alleged delinquent student loans, explaining that the total balance was significantly lower. He provided no further information and did not attach any exhibits. He requested a hearing before a Defense Office of Hearings and Appeals (DOHA) administrative judge. (Answer)

On October 2, 2025, the Government was ready to proceed to a hearing. The case was delayed when all administrative judges were furloughed from October 1 through

November 12, 2025, during a federal government shutdown due to a lapse in federal funding.

I was assigned this case on January 16, 2026. On January 29, 2026, a notice was issued scheduling the hearing for February 25, 2026. The hearing proceeded as scheduled. The Government proffered six evidentiary exhibits, which I admitted as Government Exhibits (GE) 1 through 6, without objection. Applicant testified and submitted three exhibits, which I admitted as Applicant Exhibits (AE) A through C, without objection. At Applicant's request, I kept the record open until April 3, 2026, to provide him an opportunity to supplement the evidentiary record. DOHA received the hearing transcript (Tr.) on March 4, 2026. Applicant timely submitted six additional exhibits; however, due to a technological problem, these exhibits were not received until April 16, 2026. AE D through I were admitted into evidence, without objection. The evidentiary record closed on April 16, 2026.

### **Findings of Fact**

Applicant is 38 years old. He earned a bachelor's degree in March 2011. He has never married and does not have any children. From August 2018 to September 2023, he was employed full time as an HVAC technician for a private company. Since September 2023, he has been employed full time as a security officer for a federal contractor. This is his first application for access to classified information. (GE 1; Tr. 25-27)

From August 2006 to March 2011, Applicant attended college. He incurred student loans which were later consolidated into two loans (\$19,000 and \$25,500, respectively). From about August 2011 to 2013 or 2014, Applicant made monthly payments on his student loans; however, he became unable to sustain the monthly payments. In about 2014, he sought an income-based repayment plan but could not afford the required payments. At the DOHA hearing, he explained that his low-paying position as an HVAC technician (\$14 an hour), high rent, and car payments, caused him to stop paying his student loans from about 2014 to 2020. He testified that for a few years, ending in 2019, his federal income tax refunds, totaling approximately \$8,000, were confiscated and applied to his defaulted student loans. From 2020 until November 2025, his student loans were in forbearance under the Streamlining Accountability and Value in Education for Students (SAVE) Act. In September 2024, Applicant applied for the Fresh Start Initiative to return his student loans to current status from default status. He was approved, and his loans remained in forbearance. In about July 2025, he was informed that the SAVE Act program would be discontinued and that the forbearance would end in November 2025. In September 2025, he made a \$394 payment on his student loans, despite the ongoing forbearance. From November 2025 through April 2026, he made \$394 monthly payments through automatic withdrawals. (GE 1-3, 5-6; AE A, AE C, AE G; Tr. 27-40, 44-49)

Although February 2025 correspondence from the Department of Education reflected two student loans with balances of \$40,327 and \$54,216, respectively, updated

balances from the loan servicer reflect a total student loan balance of \$54,320 as of March 11, 2026. (GE 5-6; AE E, AE H)

At the hearing, Applicant acknowledged that, in the past, he had been discouraged about the significant student loans and his inability to earn sufficient income to repay these loans. He took advantage of the loan forbearance and Fresh Start Initiative to bring his student loans current. During the years of forbearance, he paid off his car loan and then moved in with his father, paying reduced rent. His hourly wage increased from \$14 as an HVAC technician to \$18 when he became a federal contractor in September 2023. With subsequent raises, his current hourly wage is \$22. His monthly income is approximately \$2,600, his monthly expenses are approximately \$1,400 (including his student loan payment), and his monthly remainder is approximately \$1,200. (GE 3; AE B, AE D-F; Tr. 33-37, 53-54, 56)

Applicant's most recent credit report reflects no other delinquent accounts. He maintains a credit-card account with a small balance. He has approximately \$20,000 in a retirement-savings account and approximately \$1,500 in his checking account. He consults his aunt, a financial advisor, whenever he has financial matters requiring assistance. (Tr. 41-42, 44)

## **Whole Person**

Applicant submitted a character-reference letter from a university professor who knew Applicant first as a work-study employee, later as a student, and currently as a security officer. He has known Applicant for 15 years. He praised his earnestness, emotional intelligence, tenacity, and trustworthiness. (AE I)

## **Policies**

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant's eligibility for access to classified information.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.”

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting “witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by the applicant or proven by Department Counsel.” The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to sensitive information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to sensitive information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard sensitive information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of sensitive information.

Section 7 of EO 10865 provides that adverse decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

## **Analysis**

### **Guideline F: Financial Considerations**

The security concern for financial considerations is set out in AG ¶ 18:

Failure to live within one’s means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual’s reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

The guideline notes several conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable in this case:

- (a) inability to satisfy debts; and

(c) a history of not meeting financial obligations.

Applicant's admissions and the documentary evidence established his delinquent student loans, totaling approximately \$54,000. These student loans became delinquent in about 2014. AG ¶¶ 19(a) and 19(c) apply.

Conditions that could mitigate financial considerations security concerns are provided under AG ¶ 20. The following are potentially applicable in this case:

(a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;

(b) the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;

(c) the individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control; and

(d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant bears the burdens of production and persuasion in mitigation. An applicant is not held to a standard of perfection in his or her debt-resolution efforts or required to be debt-free. "Rather, all that is required is that an applicant act responsibly given his circumstances and develop a reasonable plan for repayment, accompanied by 'concomitant conduct,' that is, actions which evidence a serious intent to effectuate the plan." ISCR Case No. 15-02903 at 3 (App. Bd. Mar. 9, 2017). See, e.g., ISCR Case No. 13-00987 at 3, n.5 (App. Bd. Aug. 14, 2014).

Applicant credibly testified that he made student loans payments for approximately two or three years between August 2011 and about 2014. In 2014, he applied for an income-based repayment plan but was incapable of paying the required monthly payments. The student loans became delinquent in 2014, and some federal income tax refunds were confiscated and applied to his defaulted loans.

Under the SAVE Act, Applicant's student loans were placed in forbearance from about March 2020 until November 2025. While in forbearance, he applied to the Fresh Start Initiative program to bring his loans current. He was approved for the Fresh Start Initiative in October 2024. In about July 2025, he was informed that the SAVE Act program and the forbearance of his student loans would expire in November 2025. He made a

\$394 payment in September 2025 and initiated automatic loan payments (\$394 a month) beginning in November 2025. He has maintained monthly payments through April 2026. He credibly testified that he took advantage of the loan forbearance during a time when he had car loan payments and a higher rent obligation. He satisfied his car loan and lowered his rent. His hourly wage has increased from \$14 (from 2014 to September 2023), to \$18 (in September 2023), to \$22 (as of February 2026). His net monthly remainder is currently \$1,200, and his credit bureau report reflects no delinquent accounts.

Applicant's lower-paying job was a circumstance beyond his control that contributed to his delinquent student loans. Prior to the SOR issuance, he applied for the Fresh Start Initiative to rehabilitate his student loans, and he has demonstrated a track record of payments on his student loans. He has engaged his aunt, a financial advisor, as needed, and he has taken tangible steps to reduce his monthly expenses. AG ¶¶ 20(a), 20(b), 20(c), and 20(d) apply. He mitigated the financial considerations security concerns.

### **Whole-Person Concept**

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for access to classified information by considering the totality of the applicant's conduct and all relevant circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(d):

- (1) the nature, extent, and seriousness of the conduct;
- (2) the circumstances surrounding the conduct, to include knowledgeable participation;
- (3) the frequency and recency of the conduct;
- (4) the individual's age and maturity at the time of the conduct;
- (5) the extent to which participation is voluntary;
- (6) the presence or absence of rehabilitation and other permanent behavioral changes;
- (7) the motivation for the conduct;
- (8) the potential for pressure, coercion, exploitation, or duress; and
- (9) the likelihood of continuation or recurrence.

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guideline F and the factors in AG ¶ 2(d) in this whole-person analysis.

Applicant's former professor praised his earnestness, tenacity, and trustworthiness. Applicant's lower-paying job rendered him incapable of maintaining his student loan payments and his other financial obligations. He has gained a higher-paying employment and reduced his expenses. He initiated automatic monthly payments and has maintained those payments since November 2025. He mitigated the financial considerations security concerns.

## **Formal Findings**

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:           FOR APPLICANT

Subparagraph 1.a.:                 For Applicant

## **Conclusion**

In light of all of the circumstances presented by the record in this case, I conclude that it is clearly consistent with the national interest to grant Applicant's eligibility for access to classified information.

Eric H. Borgstrom  
Administrative Judge