

(B) that—

(i) as of July 1, 2009—

(I) meets the definition of an eligible not-for-profit holder under section 1085(p) of this title, except that such term does not include eligible lenders described in paragraph (1)(D) of such section; and

(II) was performing, or had entered into a contract with a third party servicer (as such term is defined in section 1088(c) of this title) who was performing, student loan servicing functions for loans made under part B of this subchapter;

(ii) notwithstanding clause (i), as of July 1, 2009—

(I) is the sole beneficial owner of a loan for which the special allowance rate is calculated under section 1087-1(b)(2)(I)(vi)(II) of this title because the loan is held by an eligible lender trustee that is an eligible not-for-profit holder as defined under section 1085(p)(1)(D) of this title; and

(II) was performing, or had entered into a contract with a third party servicer (as such term is defined in section 1088(c) of this title) who was performing, student loan servicing functions for loans made under part B of this subchapter; or

(iii) is an affiliated entity of an eligible not-for-profit servicer described in clause (i) or (ii) that—

(I) directly employs, or will directly employ (on or before the date the entity begins servicing loans under a contract awarded by the Secretary pursuant to subsection (a)(3)(A)),<sup>1</sup> the majority of individuals who perform borrower-specific student loan servicing functions; and

(II) as of July 1, 2009, was performing, or had entered into a contract with a third party servicer (as such term is defined in section 1088(c) of this title) who was performing, student loan servicing functions for loans made under part B of this subchapter.

**(2) Affiliated entity**

For the purposes of paragraph (1), the term “affiliated entity”—

(A) means an entity contracted to perform services for an eligible not-for-profit servicer that—

(i) is a nonprofit entity or is wholly owned by a nonprofit entity; and

(ii) is not owned or controlled, in whole or in part, by—

(I) a for-profit entity; or

(II) an entity having its principal place of business in another State; and

(B) may include an affiliated entity that is established by an eligible not-for-profit servicer after March 30, 2010, if such affiliated entity is otherwise described in paragraph (1)(B)(iii)(I) and subparagraph (A) of this paragraph.

<sup>1</sup> So in original. Probably should be “subsection (a)(4)(A).”.

(Pub. L. 89-329, title IV, §456, as added Pub. L. 102-325, title IV, §451, July 23, 1992, 106 Stat. 572; amended Pub. L. 103-66, title IV, §4021, Aug. 10, 1993, 107 Stat. 352; Pub. L. 105-244, title IV, §453, Oct. 7, 1998, 112 Stat. 1717; Pub. L. 110-227, §7(c), May 7, 2008, 122 Stat. 747; Pub. L. 111-152, title II, §2212(a), Mar. 30, 2010, 124 Stat. 1078.)

AMENDMENTS

2010—Subsec. (a)(4). Pub. L. 111-152, §2212(a)(1)(A), added par. (4).

Subsec. (c). Pub. L. 111-152, §2212(a)(2), added subsec. (c).

2008—Subsec. (b)(2), (3). Pub. L. 110-227 inserted “or purchased” after “loans made”.

1998—Subsec. (b)(3). Pub. L. 105-244, §453(1), inserted “and” after semicolon.

Subsec. (b)(4), (5). Pub. L. 105-244, §453(2), (3), redesignated par. (5) as (4) and struck out former par. (4) which read as follows: “services to assist in the orderly transition from the loan programs under part B of this subchapter to the direct student loan program under this part; and”.

1993—Pub. L. 103-66 amended section generally, substituting provisions relating to contracts for former provisions relating to terms and conditions.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-244 effective Oct. 1, 1998, except as otherwise provided in Pub. L. 105-244, see section 3 of Pub. L. 105-244, set out as a note under section 1001 of this title.

EFFECTIVE DATE

Section effective Oct. 1, 1992, see section 2 of Pub. L. 102-325, set out as an Effective Date of 1992 Amendment note under section 1001 of this title.

**§ 1087g. Repealed. Pub. L. 111-39, title IV, § 404(b)(3), July 1, 2009, 123 Stat. 1946**

Section, Pub. L. 89-329, title IV, §457, as added Pub. L. 102-325, title IV, §451, July 23, 1992, 106 Stat. 572; amended Pub. L. 103-66, title IV, §4021, Aug. 10, 1993, 107 Stat. 352, related to regulatory activities associated with implementation of the first year of the direct student loan program authorized by part C, including establishment of closing date for applications not later than Oct. 1, 1993, and publication of list of selected institutions not later than Jan. 1, 1994.

EFFECTIVE DATE OF REPEAL

Repeal effective as if enacted on the date of enactment of Pub. L. 110-315 (Aug. 14, 2008), see section 3 of Pub. L. 111-39, set out as an Effective Date of 2009 Amendment note under section 1001 of this title.

**§ 1087h. Funds for administrative expenses**

**(a) Administrative expenses**

**(1) Mandatory funds for fiscal year 2006**

For fiscal year 2006, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—

(A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part; and

(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsections (b) and (c),

not to exceed (from such funds not otherwise appropriated) \$820,000,000 in fiscal year 2006.

**(2) Mandatory funds for eligible not-for-profit servicers**

For fiscal years 2010 through 2019, there shall be available to the Secretary, in addition to