

loan shall cease to be effective with respect to any default on such loan that occurs on or after the date of such purchase.

**(e) Reports and cost estimates**

The Secretary shall prepare, transmit to the authorizing committees, and make available to the public, the following:

**(1) Quarterly reports**

**(A) Contents**

Not later than 60 days after the end of each quarter during the period beginning July 1, 2008, and ending September 30, 2010, a quarterly report on—

(i) the number of loans the Secretary has agreed to purchase, or has purchased, using the authority provided under this section, and the total amount of outstanding principal and accrued interest of such loans, during such period; and

(ii) the number of loans in which the Secretary has purchased a participation interest, and the total amount of outstanding principal and accrued interest of such loans, during such period.

**(B) Disaggregated information**

For each quarterly report, the information described in clauses (i) and (ii) of subparagraph (A) shall be disaggregated by lender and, for each lender, by category of institution (using the categories described in section 1015a(d) of this title) and type of loan.

**(2) Estimates of purchase program costs**

Not later than February 15, 2011, an estimate of the costs associated with the program of purchasing loans described in paragraph (1)(A)(i) during the period beginning July 1, 2008, and ending September 30, 2010, and an estimate of the costs associated with the program of purchasing a participation interest in loans described in paragraph (1)(A)(ii) during such period. Each such estimate shall—

(A) contain the same level of detail, and be reported in a similar manner, as the budget estimates provided for the loan program under part B and the direct student loan program under this part in the President's annual budget submission to Congress, except that current and future administrative costs shall also be reported;

(B) include an estimate of the gross and net outlays that have been, or will be, incurred by the Federal Government (including subsidy and administrative costs, and any payments made by the Department to lenders, trusts, or other entities related to such activities) in purchasing such loans or purchasing a participation interest in such loans during such period (as applicable); and

(C) include a comparison of—

(i) the average amount of the gross and net outlays (including costs and payments) described in subparagraph (B) for each \$100 of loans purchased or for which a participation interest was purchased (as applicable) during such period, disaggregated by type of loan; with

(ii) the average amount of such gross and net outlays (including costs and payments)

to the Federal Government for each \$100 of comparable loans made under this part and part B during such period, disaggregated by part and by type of loan.

**(3) Annual cost estimates**

Not later than February 15 of the fiscal year following each of the fiscal years 2008, 2009, 2010, and 2011, an annual estimate of the costs associated with the program of purchasing loans described in paragraph (1)(A)(i), and an annual estimate of the costs associated with the program of purchasing a participation interest in loans described in paragraph (1)(A)(ii), that includes the information described in paragraph (2) for such fiscal year.

**(f) Expiration of authority**

The Secretary's authority to purchase loans under this section shall expire on July 1, 2010.

(Pub. L. 89-329, title IV, § 459A, as added Pub. L. 110-227, § 7(b), May 7, 2008, 122 Stat. 746; amended Pub. L. 110-315, title IV, § 453, Aug. 14, 2008, 122 Stat. 3263; Pub. L. 110-350, § 1, Oct. 7, 2008, 122 Stat. 3947; Pub. L. 111-39, title IV, § 404(a), July 1, 2009, 123 Stat. 1945.)

AMENDMENTS

2009—Subsec. (a)(2). Pub. L. 111-39, § 404(a)(1)(A), substituted “purchase of loans under paragraph (1)” for “purchase of loans under this section” in introductory provisions.

Subsec. (a)(3). Pub. L. 111-39, § 404(a)(1)(B), added par. (3).

Subsec. (b). Pub. L. 111-39, § 404(a)(2), amended subsec. (b) generally. Prior to amendment, text read as follows: “The Secretary shall require, as a condition of any purchase under subsection (a), that the funds paid by the Secretary to any eligible lender under this section shall be used: (1) to ensure continued participation of such lender in the Federal student loan programs authorized under part B of this subchapter; and (2) to originate new Federal loans to students, as authorized under part B of this subchapter.”

2008—Subsec. (a)(1). Pub. L. 110-350, § 1(1), substituted “July 1, 2010” for “July 1, 2009”.

Subsecs. (d), (e). Pub. L. 110-315, § 453(2), added subsecs. (d) and (e). Former subsec. (d) redesignated (f).

Subsec. (e)(1)(A). Pub. L. 110-350, § 1(2)(A), substituted “September 30, 2010” for “September 30, 2009” in introductory provisions.

Subsec. (e)(2). Pub. L. 110-350, § 1(2)(A), (B), substituted “February 15, 2011” for “February 15, 2010” and “September 30, 2010” for “September 30, 2009” in introductory provisions.

Subsec. (e)(3). Pub. L. 110-350, § 1(2)(C), substituted “2009, 2010, and 2011” for “2009, and 2010”.

Subsec. (f). Pub. L. 110-350, § 1(1), substituted “July 1, 2010” for “July 1, 2009”.

Pub. L. 110-315, § 453(1), redesignated subsec. (d) as (f).

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-39 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 a note under section 1001 of this title.

**§ 1087i-2. Temporary loan consolidation authority**

**(a) Temporary loan consolidation authority**

**(1) In general**

A borrower who has 1 or more loans in 2 or more of the categories described in paragraph (2), and who has not yet entered repayment on

1 or more of those loans in any of the categories, may consolidate all of the loans of the borrower that are described in paragraph (2) into a Federal Direct Consolidation Loan during the period described in paragraph (3).

**(2) Categories of loans that may be consolidated**

The categories of loans that may be consolidated under paragraph (1) are—

- (A) loans made under this part;
- (B) loans purchased by the Secretary pursuant to section 1087i-1 of this title; and
- (C) loans made under part B that are held by an eligible lender, as such term is defined in section 1085(d) of this title.

**(3) Time period in which loans may be consolidated**

The Secretary may make a Federal Direct Consolidation Loan under this section to a borrower whose application for such Federal Direct Consolidation Loan is received on or after July 1, 2010, and before July 1, 2011.

**(b) Terms of loans**

A Federal Direct Consolidation Loan made under this section shall have the same terms and conditions as a Federal Direct Consolidation Loan made under section 1087e(g) of this title, except that—

- (1) in determining the applicable rate of interest on the Federal Direct Consolidation Loan made under this section (other than on a Federal Direct Consolidation Loan described in paragraph (2)), section 1077a(l)(3) of this title shall be applied without rounding the weighted average of the interest rate on the loans consolidated to the nearest higher one-eighth of 1 percent as described in subparagraph (A) of section 1077a(l)(3) of this title; and
- (2) if a Federal Direct Consolidation Loan made under this section that repays a loan which is subject to an interest rate determined under section 1077a(g)(2), (j)(2), or (k)(2) of this title, then the interest rate for such Federal Direct Consolidation Loan shall be calculated—

- (A) by using the applicable rate of interest described in section 1077a(g)(2), (j)(2), or (k)(2) of this title, respectively; and

- (B) in accordance with section 1077a(l)(3) of this title.

(Pub. L. 89-329, title IV, § 459B, as added Pub. L. 111-152, title II, § 2206(b), Mar. 30, 2010, 124 Stat. 1075.)

**§ 1087j. Loan cancellation for teachers**

**(a) Statement of purpose**

It is the purpose of this section to encourage individuals to enter and continue in the teaching profession.

**(b) Program authorized**

The Secretary shall carry out a program of canceling the obligation to repay a qualified loan amount in accordance with subsection (c) for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made under this part for any new borrower on or after October 1, 1998, who—

(1) has been employed as a full-time teacher for 5 consecutive complete school years—

- (A) in a school or location that qualifies under section 1087ee(a)(2)(A) of this title for loan cancellation for Perkins loan recipients who teach in such schools or locations; and
- (B) if employed as an elementary school or secondary school teacher, is highly qualified as defined in section 7801 of this title, or meets the requirements of subsection (g)(3); and

(2) is not in default on a loan for which the borrower seeks forgiveness.

**(c) Qualified loan amounts**

**(1) In general**

The Secretary shall cancel not more than \$5,000 in the aggregate of the loan obligation on a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford Loan that is outstanding after the completion of the fifth complete school year of teaching described in subsection (b)(1). No borrower may receive a reduction of loan obligations under both this section and section 1078-10 of this title.

**(2) Treatment of consolidation loans**

A loan amount for a Federal Direct Consolidation Loan may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 1078 or 1078-8 of this title, for a borrower who meets the requirements of subsection (b), as determined in accordance with regulations prescribed by the Secretary.

**(3) Additional amounts for teachers in mathematics, science, or special education**

Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary shall cancel under this section shall be not more than \$17,500 in the case of—

- (A) a secondary school teacher—
  - (i) who meets the requirements of subsection (b); and
  - (ii) whose qualifying employment for purposes of such subsection is teaching mathematics or science on a full-time basis; and

(B) an elementary school or secondary school teacher—

- (i) who meets the requirements of subsection (b);
- (ii) whose qualifying employment for purposes of such subsection is as a special education teacher whose primary responsibility is to provide special education to children with disabilities (as those terms are defined in section 1401 of this title); and

(iii) who, as certified by the chief administrative officer of the public or non-profit private elementary school or secondary school in which the borrower is employed, or, in the case of a teacher who is employed by an educational service agency, as certified by the chief administrative officer of such agency, is teaching children