

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.

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 OF 1993 AMENDMENTS

Amendment by Pub. L. 103-208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102-325, except as otherwise provided, see section 5(a) of Pub. L. 103-208, set out as a note under section 1051 of this title.

Amendment by Pub. L. 103-82 effective Oct. 1, 1993, see section 123 of Pub. L. 103-82, set out as a note under section 1701 of Title 16, Conservation.

EFFECTIVE DATE OF 1990 AMENDMENTS

Pub. L. 101-647, title XXI, §2101(c), Nov. 29, 1990, 104 Stat. 4856, provided that: "The amendments made by this section [amending this section] shall apply only to loans made on or after the date of enactment of this Act [Nov. 29, 1990] under part E of title IV of the Higher Education Act of 1965 [this part]."

Pub. L. 101-476, title X, §1001, Oct. 30, 1990, 104 Stat. 1151, provided that: "The amendments made by this Act [see Short Title of 1990 Amendment note set out under section 1400 of this title] shall take effect October 1, 1990."

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-50 effective as if enacted as part of the Higher Education Amendments of 1986, Pub. L. 99-498, see section 27 of Pub. L. 100-50, set out as a note under section 1001 of this title.

EFFECTIVE DATE

Section effective Oct. 17, 1986, except as otherwise provided, see section 2 of Pub. L. 99-498, set out as a note under section 1001 of this title.

Subsection (a)(2)(E) of this section applicable only to loans made to cover the costs of instruction for periods of enrollment beginning on or after July 1, 1987, to individuals who are new borrowers on that date, see section 405(b) of Pub. L. 99-498, set out as a note under section 1087dd of this title.

§ 1087ff. Distribution of assets from student loan funds

(a) In general

After September 30, 2003, and not later than March 31, 2004, there shall be a capital distribution of the balance of the student loan fund established under this part by each institution of higher education as follows:

(1) The Secretary shall first be paid an amount which bears the same ratio to the balance in such fund at the close of September 30, 2003, as the total amount of the Federal capital contributions to such fund by the Secretary under this part bears to the sum of such Federal contributions and the institution's capital contributions to such fund.

(2) The remainder of such balance shall be paid to the institution.

(b) Distribution of late collections

After October 1, 2012, each institution with which the Secretary has made an agreement under this part, shall pay to the Secretary the

same proportionate share of amounts received by this institution after September 30, 2003, in payment of principal and interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any costs of litigation incurred in collection of the principal or interest on loans from the fund and not already reimbursed from the fund or from such payments of principal or interest), as was determined for the Secretary under subsection (a) of this section.

(c) Distribution of excess capital

(1) Upon a finding by the institution or the Secretary prior to October 1, 2004, that the liquid assets of a student loan fund established pursuant to an agreement under this part exceed the amount required for loans or otherwise in the foreseeable future, and upon notice to such institution or to the Secretary, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Secretary or in such agreement, a capital distribution from such fund. Such capital distribution shall be made as follows:

(A) The Secretary shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Secretary to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

(B) The remainder of the capital distribution shall be paid to the institution.

(2) No finding that the liquid assets of a student loan fund established under this part exceed the amount required under paragraph (1) may be made prior to a date which is 2 years after the date on which the institution of higher education received the funds from such institution's allocation under section 1087bb of this title.

(Pub. L. 89-329, title IV, §466, as added Pub. L. 99-498, title IV, §405(a), Oct. 17, 1986, 100 Stat. 1453; amended Pub. L. 102-325, title IV, §466, July 23, 1992, 106 Stat. 584; Pub. L. 103-208, §2(f)(15), Dec. 20, 1993, 107 Stat. 2471; Pub. L. 105-244, title IV, §466, Oct. 7, 1998, 112 Stat. 1728; Pub. L. 110-84, title V, §501, Sept. 27, 2007, 121 Stat. 801.)

PRIOR PROVISIONS

A prior section 1087ff, Pub. L. 89-329, title IV, §466, as added Pub. L. 92-318, title I, §137(b), June 23, 1972, 86 Stat. 278; amended Pub. L. 94-482, title I, §130(h), Oct. 12, 1976, 90 Stat. 2147; Pub. L. 96-374, title IV, §442(c), title XIII, §1391(a)(1), Oct. 3, 1980, 94 Stat. 1440, 1503, related to distribution of assets from student loan funds, prior to the general revision of this part by Pub. L. 99-498.

AMENDMENTS

2007—Subsec. (b). Pub. L. 110-84 substituted "October 1, 2012" for "March 31, 2012".

1998—Subsec. (a). Pub. L. 105-244, §466(1)(A), in introductory provisions, substituted "2003" for "1996" and "2004" for "1997".

Subsec. (a)(1). Pub. L. 105-244, §466(1)(B), substituted "2003" for "1996".

Subsec. (b). Pub. L. 105-244, §466(2), substituted "2012" for "2005" and "2003" for "1996".

Subsec. (c)(1). Pub. L. 105-244, §466(3), substituted “2004” for “1997” in introductory provisions.

1993—Subsec. (c)(2). Pub. L. 103-208 realigned margin.
1992—Subsec. (b). Pub. L. 102-325, §466(1), substituted “2005” for “1997”.

Subsec. (c). Pub. L. 102-325, §466(2), designated existing provisions as par. (1), redesignated former pars. (1) and (2) as subpars. (A) and (B), respectively, and added par. (2).

EFFECTIVE DATE OF 2007 AMENDMENT

Amendment by Pub. L. 110-84 effective Oct. 1, 2007, see section 1(c) of Pub. L. 110-84, set out as a note under section 1070a of this title.

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 OF 1993 AMENDMENT

Amendment by Pub. L. 103-208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102-325, except as otherwise provided, see section 5(a) of Pub. L. 103-208, set out as a note under section 1051 of this title.

§ 1087gg. Collection of defaulted loans: Perkins Loan Revolving Fund

(a) Authority of Secretary to collect referred, transferred, or assigned loans

With respect to any loan—

(1) which was made under this part, and

(2) which is referred, transferred, or assigned to the Secretary by an institution with an agreement under section 1087cc(a) of this title,

the Secretary is authorized to attempt to collect such loan by any means authorized by law for collecting claims of the United States (including referral to the Attorney General for litigation) and under such terms and conditions as the Secretary may prescribe, including reimbursement for expenses reasonably incurred in attempting such collection.

(b) Collection of referred, transferred, or assigned loans

The Secretary shall continue to attempt to collect any loan referred, transferred, or assigned under paragraph (4) or (5) of section 1087cc(a) of this title until all appropriate collection efforts, as determined by the Secretary, have been expended.

(Pub. L. 89-329, title IV, §467, as added Pub. L. 99-498, title IV, §405(a), Oct. 17, 1986, 100 Stat. 1453; amended Pub. L. 102-325, title IV, §467, July 23, 1992, 106 Stat. 584; Pub. L. 105-244, title IV, §467(a), Oct. 7, 1998, 112 Stat. 1728; Pub. L. 111-39, title IV, §405(6), July 1, 2009, 123 Stat. 1947.)

PRIOR PROVISIONS

A prior section 1087gg, Pub. L. 89-329, title IV, §467, as added Pub. L. 96-49, §5(d)(3)(A), Aug. 13, 1979, 93 Stat. 352; amended Pub. L. 96-374, title IV, §445(c), title XIII, §1391(a)(1), Oct. 3, 1980, 94 Stat. 1442, 1503; Pub. L. 99-272, title XVI, §16029, Apr. 7, 1986, 100 Stat. 354, related to collection of defaulted loans, prior to the general revision of this part by Pub. L. 99-498.

AMENDMENTS

2009—Subsec. (b). Pub. L. 111-39 substituted “paragraph (4) or (5)” for “paragraph (5)(A), (5)(B)(i), or (6)”.

1998—Subsec. (c). Pub. L. 105-244 struck out heading and text of subsec. (c) which established the Perkins Loan Revolving Fund and provided for deposits into and payments from the Fund.

1992—Pub. L. 102-325 amended section catchline generally, inserting “; Perkins Loan Revolving Fund” after “loans” and added subsec. (c).

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 (L. 102-325, 2008), see section 3 of Pub. L. 111-39, set out as a note under section 1001 of this title.

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 OF 1992 AMENDMENT

Amendment by Pub. L. 102-325 to this section, relating to creation of Perkins Loan Revolving Fund, effective Sept. 15, 1997, see section 468(4) of Pub. L. 102-325, set out as a note under section 1087dd of this title.

TRANSFER OF BALANCE

Pub. L. 105-244, title IV, §467(b), Oct. 7, 1998, 112 Stat. 1728, provided that: “Any funds in the Perkins Loan Revolving Fund on the date of enactment of this Act [Oct. 7, 1998] shall be transferred to and deposited in the Treasury.”

§ 1087hh. General authority of Secretary

In carrying out the provisions of this part, the Secretary is authorized—

(1) to consent to modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note evidencing a loan which has been made under this part;

(2) to enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption;

(3) to conduct litigation in accordance with the provisions of section 1082(a)(2) of this title; and

(4) to enter into a contract or other arrangement with State or nonprofit agencies and, on a competitive basis, with collection agencies for servicing and collection of loans under this part.

(Pub. L. 89-329, title IV, §468, as added Pub. L. 99-498, title IV, §405(a), Oct. 17, 1986, 100 Stat. 1454.)

PRIOR PROVISIONS

A prior section 1087hh, Pub. L. 89-329, title IV, §468, as added Pub. L. 96-374, title IV, §442(a), Oct. 3, 1980, 94 Stat. 1437, related to alternative source of funds, prior to the general revision of this part by Pub. L. 99-498.

A prior section 1087ii, Pub. L. 89-329, title IV, §469, as added Pub. L. 96-374, title IV, §442(a), Oct. 3, 1980, 94 Stat. 1439, related to recapture of current balance of student loan funds, prior to the general revision of this part by Pub. L. 99-498.

§ 1087ii. Definitions

(a) Low-income communities

For the purpose of this part, the term “low-income communities” means communities in