

1860(c) of Pub. L. 112-10, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by title IV of Pub. L. 111-39 or to any regulations promulgated under such amendments, see section 409 of Pub. L. 111-39, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by section 402(a) of Pub. L. 110-315 or to any regulations promulgated under such amendments, see section 402(b) of Pub. L. 110-315, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by Pub. L. 110-227 or to any regulations promulgated under such amendments, see section 11 of Pub. L. 110-227, set out as a note under section 1089 of this title.

**§ 1098b. Authorization of appropriations for administrative expenses**

There are authorized to be appropriated such sums as may be necessary for fiscal year 1993 and for each succeeding fiscal year thereafter for administrative expenses necessary for carrying out this subchapter and part C of subchapter I of chapter 34 of title 42, including expenses for staff personnel, program reviews, and compliance activities.

(Pub. L. 89-329, title IV, § 493, as added Pub. L. 102-325, title IV, § 497, July 23, 1992, 106 Stat. 634.)

**§ 1098c. Repealed. Pub. L. 110-315, title IV, § 494E, Aug. 14, 2008, 122 Stat. 3324**

Section, Pub. L. 89-329, title IV, § 493A, as added Pub. L. 105-244, title IV, § 490E, Oct. 7, 1998, 112 Stat. 1756, related to Year 2000 requirements at the Department of Education.

**§ 1098d. Procedures for cancellations and deferments for eligible disabled veterans**

The Secretary, in consultation with the Secretary of Veterans Affairs, shall develop and implement a procedure to permit Department of Veterans Affairs physicians to provide the certifications and affidavits needed to enable disabled veterans enrolled in the Department of Veterans Affairs health care system to document such veterans' eligibility for deferments or cancellations of student loans made, insured, or guaranteed under this subchapter and part C of subchapter I of chapter 34 of title 42. Not later than 6 months after October 7, 1998, the Secretary and the Secretary of Veterans Affairs jointly shall report to Congress on the progress made in developing and implementing the procedure.

(Pub. L. 89-329, title IV, § 493B, as added Pub. L. 105-244, title IV, § 490F, Oct. 7, 1998, 112 Stat. 1758.)

**EFFECTIVE DATE**

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

**§ 1098e. Income-based repayment**

**(a) Definitions**

In this section:

**(1) Excepted PLUS loan**

The term "excepted PLUS loan" means a loan under section 1078-2 of this title, or a

Federal Direct PLUS Loan, that is made, insured, or guaranteed on behalf of a dependent student.

**(2) Excepted consolidation loan**

The term "excepted consolidation loan" means a consolidation loan under section 1078-3 of this title, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to the discharge the liability on an excepted PLUS loan.

**(3) Partial financial hardship**

The term "partial financial hardship", when used with respect to a borrower, means that for such borrower—

(A) the annual amount due on the total amount of loans made, insured, or guaranteed under part B or C (other than an excepted PLUS loan or excepted consolidation loan) to a borrower as calculated under the standard repayment plan under section 1078(b)(9)(A)(i) or 1087e(d)(1)(A) of this title, based on a 10-year repayment period; exceeds

(B) 15 percent of the result obtained by calculating, on at least an annual basis, the amount by which—

(i) the borrower's, and the borrower's spouse's (if applicable), adjusted gross income; exceeds

(ii) 150 percent of the poverty line applicable to the borrower's family size as determined under section 9902(2) of title 42.

**(b) Income-based repayment program authorized**

Notwithstanding any other provision of this chapter and part C of subchapter I of chapter 34 of title 42, the Secretary shall carry out a program under which—

(1) a borrower of any loan made, insured, or guaranteed under part B or C (other than an excepted PLUS loan or excepted consolidation loan) who has a partial financial hardship (whether or not the borrower's loan has been submitted to a guaranty agency for default aversion or had been in default) may elect, during any period the borrower has the partial financial hardship, to have the borrower's aggregate monthly payment for all such loans not exceed the result described in subsection (a)(3)(B) divided by 12;

(2) the holder of such a loan shall apply the borrower's monthly payment under this subsection first toward interest due on the loan, next toward any fees due on the loan, and then toward the principal of the loan;

(3) any interest due and not paid under paragraph (2)—

(A) shall, on subsidized loans, be paid by the Secretary for a period of not more than 3 years after the date of the borrower's election under paragraph (1), except that such period shall not include any period during which the borrower is in deferment due to an economic hardship described in section 1085(o) of this title; and

(B) be capitalized—

(i) in the case of a subsidized loan, subject to subparagraph (A), at the time the borrower—

(I) ends the election to make income-based repayment under this subsection; or