

read as follows: “in the case of such a student attending an eligible institution who has completed the first 2 years of undergraduate study but who has not completed the remainder of a program of undergraduate study—

“(i) \$5,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 1088 of this section);

“(ii) \$3,325, if such student is enrolled in a program whose length is less than one academic year, but at least $\frac{2}{3}$ of such an academic year; and

“(iii) \$1,675, if such student is enrolled in a program whose length is less than $\frac{2}{3}$, but at least $\frac{1}{3}$, of such an academic year; and”. See Codification note above.

Subsec. (e)(1). Pub. L. 103-208, §2(c)(43), substituted “shall begin at the beginning of the repayment period described in section 1078(b)(7) of this title.” for “shall commence 6 months after the month in which the student ceases to carry at least one-half the normal full-time workload as determined by the institution.” and inserted at end “Not less than 30 days prior to the anticipated commencement of such repayment period, the holder of such loan shall provide notice to the borrower that interest will accrue before repayment begins and of the borrower’s option to begin loan repayment at an earlier date.”

Subsec. (e)(4). Pub. L. 103-208, §2(c)(44), substituted “section 1077a” for “section 1077a(e)”.

Subsec. (e)(5), (6). Pub. L. 103-66, §4047(a)(3), added pars. (5) and (6).

Subsec. (f). Pub. L. 103-66, §4102(b)(1)(A), substituted “Origination fee” for “Insurance premium” in section catchline.

Subsec. (f)(1). Pub. L. 103-66, §4102(b)(1)(B), (C), struck out reference to insurance premium in heading and in text substituted “an origination fee in the amount of 3.0 percent” for “a combined origination fee and insurance premium in the amount of 6.5 percent” and struck out second sentence which read as follows: “A guaranty agency may not charge an insurance premium on any loan made under this section.”

Subsec. (f)(2). Pub. L. 103-66, §4102(b)(1)(D), substituted “origination fee” for “combined fee and premium”.

Subsec. (f)(3). Pub. L. 103-66, §4102(b)(1)(E), substituted “origination fee” for “combined origination fee and insurance premium”.

Subsec. (f)(4). Pub. L. 103-66, §4102(b)(1)(F), in heading substituted “origination fee” for “insurance premium” and in text substituted “origination fees” for “combined origination fee and insurance premiums” and “to pay” for “and premiums to pay”.

Subsec. (f)(5). Pub. L. 103-66, §4102(b)(1)(G), inserted “origination fee and” in heading and in text substituted “do not exceed the combined origination fee under this subsection and the insurance premium under subsection (h) of this section, the Secretary is directed to lower the origination fee and insurance premium accordingly” for “do not exceed the 6.5 percent insurance premium, the Secretary is directed to lower the insurance premium accordingly”.

Subsec. (h). Pub. L. 103-208, §2(c)(45), redesignated subsec. (l) as (h). See Codification note above.

Subsec. (l). Pub. L. 103-208, §2(c)(45), redesignated subsec. (l) as (h). See Codification note above.

Pub. L. 103-66, §4102(b)(2), added subsec. (l).

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 2008 AMENDMENT

Pub. L. 110-315, title IV, §428(b), Aug. 14, 2008, 122 Stat. 3236, provided that: “The amendments made by this section [amending this section] shall take effect for loans for which the first disbursement is made on or after July 1, 2008.”

Pub. L. 110-227, §2(c), May 7, 2008, 122 Stat. 742, provided that: “The amendments made by this section [amending this section] shall be effective for loans first disbursed on or after July 1, 2008.”

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by section 8014(b)(2) of Pub. L. 109-171 effective July 1, 2006, except as otherwise provided, see section 8001(c) of Pub. L. 109-171, set out as a note under section 1002 of this title.

Amendment by section 8005(d) of Pub. L. 109-171 effective July 1, 2007, see section 8005(e) of Pub. L. 109-171, set out as a note under section 1075 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 1996 AMENDMENT

Pub. L. 104-134, title I, §101(d) [title V, §514(b)], Apr. 26, 1996, 110 Stat. 1321-211, 1321-245, provided that: “The amendments made by subsection (a) [amending this section] shall be effective for loans made to cover the cost of instruction for periods of enrollment beginning on or after July 1, 1996.”

EFFECTIVE DATE OF 1993 AMENDMENTS

Amendment by section 2(c)(42)-(43)(A), (44), (45) of Pub. L. 103-208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102-325, except as otherwise provided, and amendment by section 2(c)(43)(B) of Pub. L. 103-208 effective on and after Apr. 1, 1994, see section 5(a), (b)(5) of Pub. L. 103-208, set out as a note under section 1051 of this title.

Pub. L. 103-66, title IV, §4047(d), Aug. 10, 1993, 107 Stat. 364, provided that: “Except as otherwise provided herein [see section 4047(c) of Pub. L. 103-66, set out below], the amendments made by this section [amending this section and repealing section 1078-1 of this title] shall take effect on July 1, 1994.”

Amendment by section 4102(b) of Pub. L. 103-66 effective July 1, 1994, see section 4102(d) of Pub. L. 103-66, set out as a note under section 1078 of this title.

EFFECTIVE DATE

Section effective with respect to loans made to cover the cost of instruction for periods of enrollment beginning on or after Oct. 1, 1992, see section 432(a)(12) of Pub. L. 102-325, set out as an Effective Date of 1992 Amendment note under section 1078 of this title.

STUDENT ELIGIBILITY

Pub. L. 110-227, §2(b), May 7, 2008, 122 Stat. 742, provided that: “Loan limit increases authorized by the amendments made by this section [amending this section] shall be available only to students who meet the requirements of section 484(a) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)).”

CONTINUING APPLICABILITY OF TERMS, CONDITIONS, AND BENEFITS OF LOANS

Pub. L. 103-66, title IV, §4047(c), Aug. 10, 1993, 107 Stat. 364, provided that: “Notwithstanding the amendments made by this section [amending this section and repealing section 1078-1 of this section], with respect to loans provided under sections 428A [former 20 U.S.C. 1078-1] and 428H of the Act [20 U.S.C. 1078-8] (as such sections existed on the date preceding the date of enactment of this Act [Aug. 10, 1993]) the terms, conditions and benefits applicable to such loans under such sections shall continue to apply to such loans after the date of enactment of this Act.”

§ 1078-9. Repealed. Pub. L. 110-84, title III, § 302(a), Sept. 27, 2007, 121 Stat. 796

Section, Pub. L. 89-329, title IV, §428I, as added Pub. L. 102-325, title IV, §422, July 23, 1992, 106 Stat. 536;

amended Pub. L. 103-208, §2(c)(46), Dec. 20, 1993, 107 Stat. 2467; Pub. L. 109-171, title VIII, §8014(i), Feb. 8, 2006, 120 Stat. 171, related to special insurance and reinsurance rules.

EFFECTIVE DATE OF REPEAL

Repeal effective Oct. 1, 2007, except that section as in effect on the day before Sept. 27, 2005, shall apply to eligible lenders that received a designation under subsec. (a) of this section prior to Oct. 1, 2007, for the remainder of the year for which the designation was made, see section 302(c) of Pub. L. 110-84, set out as an Effective Date of 2007 Amendment note under section 1078 of this title.

§ 1078-10. Loan forgiveness 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, through the holder of the loan, of assuming the obligation to repay a qualified loan amount for a loan made under section 1078 or 1078-8 of this title, in accordance with subsection (c) of this section, 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 9101¹ of the Elementary Secondary² Education Act of 1965 [20 U.S.C. 7801], 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 loans amount

(1) In general

The Secretary shall repay not more than \$5,000 in the aggregate of the loan obligation on a loan made under section 1078 or 1078-8 of this title that is outstanding after the completion of the fifth complete school year of teaching described in subsection (b)(1) of this section. No borrower may receive a reduction of loan obligations under both this section and section 1087j of this title.

(2) Treatment of consolidation loans

A loan amount for a loan made under section 1078-3 of this title 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) of this section, as determined in accordance with regulations prescribed by the Secretary.

¹ See References in Text note below.

² So in original. Probably should be preceded by "and".

(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 repay 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) of this section; 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) of this section;

(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 with disabilities that correspond with the borrower's special education training and has demonstrated knowledge and teaching skills in the content areas of the elementary school or secondary school curriculum that the borrower is teaching.

(d) Regulations

The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

(e) Construction

Nothing in this section shall be construed to authorize any refunding of any repayment of a loan.

(f) List

If the list of schools in which a teacher may perform service pursuant to subsection (b) of this section is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

(g) Additional eligibility provisions

(1) Continued eligibility

Any teacher who performs service in a school that—

(A) meets the requirements of subsection (b)(1)(A) of this section in any year during such service; and

(B) in a subsequent year fails to meet the requirements of such subsection,

may continue to teach in such school and shall be eligible for loan forgiveness pursuant to subsection (b) of this section.

(2) Prevention of double benefits

No borrower may, for the same service, receive a benefit under both this section and—