

Pub. L. 105-178, §8301(c)(1), which directed amendment of section 455(b) (20 U.S.C. 1087e(b)) by redesignating par. (5) as (6), was executed to this section, which is section 455(b) of Pub. L. 89-329, to reflect the probable intent of Congress.

Subsec. (b)(7). Pub. L. 105-244, §452(b), added par. (7).
 Subsec. (g). Pub. L. 105-244, §452(c), struck out “only under such terms and conditions as the Secretary shall establish pursuant to section 1087g(a)(1) of this title or regulations promulgated under this part” after “section 1078-3(a)(4) of this title”.

Subsecs. (j)(2), (k)(3). Pub. L. 105-244, §401(g)(6), substituted “Federal Pell Grants” for “basic grants”.

1994—Subsec. (f)(3), (4). Pub. L. 103-382 added pars. (3) and (4).

1993—Pub. L. 103-66 amended section generally, substituting provisions relating to terms and conditions of loans for former provisions relating to withdrawal and termination procedures.

1992—Pub. L. 102-325 amended section generally, substituting provisions relating to withdrawal and termination procedures for former provisions relating to feasibility study.

EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 113-28, §2(b), Aug. 9, 2013, 127 Stat. 507, provided that: “The amendments made by subsection (a) [amending this section] shall take effect as if enacted on July 1, 2013.”

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-152, title II, §2211(b), Mar. 30, 2010, 124 Stat. 1078, provided that: “The amendment made by subsection (a)(1) [amending this section] shall apply with respect to loans first disbursed under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) on or after July 1, 2010.”

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 2007 AMENDMENT

Amendment by sections 201(b), 202(b), 205, and 401 of 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.

Amendment by section 203(b)(3) of Pub. L. 110-84 effective July 1, 2009, see section 203(c)(1) of Pub. L. 110-84, set out as a note under section 1078-3 of this title.

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by 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 8007(b) of Pub. L. 109-171 applicable with respect to all loans under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq., 42 U.S.C. 2751 et seq.), see section 8007(f) of Pub. L. 109-171, set out as a note under section 1078 of this title.

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-314 applicable with respect to interest, and any special allowance under section 1087-1 of this title, that accrue for months beginning on or after Oct. 1, 2003, on student loans described in section 2174(c) of Title 10, Armed Forces, that were made before, on, or after such date to members of the Armed Forces who are on active duty (as defined in section 101(d) of Title 10) on or after that date, see section 651(e) of Pub. L. 107-314, set out as an Effective Date note under section 2174 of Title 10.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by sections 401(g)(6) and 452(b), (c) of 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.

Pub. L. 105-244, title IV, §452(d), Oct. 7, 1998, 112 Stat. 1717, provided that: “The amendments made by subsection (a) [amending this section] shall apply with respect to any loan made under part D of title IV of the Higher Education Act of 1965 [this part] for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, except that such amendments shall apply with respect to a Federal Direct Consolidation Loan for which the application is received on or after October 1, 1998, and before July 1, 2003.”

EFFECTIVE DATE OF 1992 AMENDMENT

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

CONSTRUCTION OF 2006 AMENDMENT

Nothing in amendment by section 8007(b) of Pub. L. 109-171 to be construed to authorize any refunding of any repayment of a loan, see section 8007(e) of Pub. L. 109-171, set out as a note under section 1078 of this title.

LIMITATION ON CONSOLIDATION LOANS DURING TEMPORARY INTEREST RATE

Pub. L. 105-244, title IV, §452(a)(2), Oct. 7, 1998, 112 Stat. 1716, provided that: “Notwithstanding section 455(g) of the Higher Education Act of 1965 [subsec. (g) of this section], a borrower who is enrolled or accepted for enrollment in an institution of higher education may not consolidate loans under such section during the period beginning October 1, 1998, and ending February 1, 1999, unless the borrower certifies that the borrower has no outstanding loans made, insured, or guaranteed under title IV of such Act [20 U.S.C. 1070 et seq.; 42 U.S.C. 2751 et seq.] other than loans made under part D of such title [this part].”

§ 1087f. Contracts

(a) Contracts for supplies and services

(1) In general

The Secretary shall, to the extent practicable, award contracts for origination, servicing, and collection described in subsection (b) of this section. In awarding such contracts, the Secretary shall ensure that such services and supplies are provided at competitive prices.

(2) Entities

The entities with which the Secretary may enter into contracts shall include only entities which the Secretary determines are qualified to provide such services and supplies and will comply with the procedures applicable to the award of such contracts. In the case of awarding contracts for the origination, servicing, and collection of loans under this part, the Secretary shall enter into contracts only with entities that have extensive and relevant experience and demonstrated effectiveness. The entities with which the Secretary may enter into such contracts shall include, where practicable, agencies with agreements with the Secretary under sections 1078(b) and (c) of this title, if such agencies meet the qualifications as determined by the Secretary under this subsection and if those agencies have such experience and demonstrated effectiveness. In awarding contracts to such State agencies, the Secretary shall, to the extent practicable and consistent with the purposes of this part, give special consideration to State agencies with a

history of high quality performance to perform services for institutions of higher education within their State.

(3) Rule of construction

Nothing in this section shall be construed as a limitation of the authority of any State agency to enter into an agreement for the purposes of this section as a member of a consortium of State agencies.

(b) Contracts for origination, servicing, and data systems

The Secretary may enter into contracts for—

(1) the alternative origination of loans to students attending institutions of higher education with agreements to participate in the program under this part (or their parents), if such institutions do not have agreements with the Secretary under section 1087d(b) of this title;

(2) the servicing and collection of loans made or purchased under this part;

(3) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made or purchased under this part; and

(4) such other aspects of the direct student loan program as the Secretary determines are necessary to ensure the successful operation of the program.

(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; Pub. L. 113–67, div. A, title V, § 502(1), Dec. 26, 2013, 127 Stat. 1187.)

AMENDMENTS

2013—Subsec. (a)(4). Pub. L. 113–67, § 502(1)(A), struck out par. (4) which related to servicing by eligible not-for-profit servicers.

Subsec. (c). Pub. L. 113–67, § 502(1)(B), struck out subsec. (c) which defined eligible not-for-profit servicer for purposes of this section.

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) Repealed. Pub. L. 113–67, div. A, title V, § 502(2), Dec. 26, 2013, 127 Stat. 1187

(3) Authorization for administrative costs beginning in fiscal years 2007 through 2014

For each of the fiscal years 2007 through 2014, there are authorized to be appropriated such sums as may be necessary for administrative costs under this part and part B, including the costs of the direct student loan programs under this part.

(4) Continuing mandatory funds for account maintenance fees

For each of the fiscal years 2007 through 2016, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b).

(5) Account maintenance fees

Account maintenance fees under paragraph (3)¹ shall be paid quarterly and deposited in the Agency Operating Fund established under section 1072b of this title.

(6) Technical assistance to institutions of higher education

(A) Provision of assistance

The Secretary shall provide institutions of higher education participating, or seeking to participate, in the loan programs under this part with technical assistance in establishing and administering such programs.

¹ See References in Text note below.