

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, §464(b)(2), Aug. 14, 2008, 122 Stat. 3267, provided that: “The amendments made by paragraph (1) [amending this section] shall take effect on July 1, 2008.”

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 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 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 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.

EFFECTIVE DATE OF 1992 AMENDMENT

Pub. L. 102-325, title IV, §468, July 23, 1992, 106 Stat. 585, as amended by Pub. L. 102-394, title III, §307(a), Oct. 6, 1992, 106 Stat. 1820, provided that: “The changes made in part E of title IV of the Act [20 U.S.C. 1087aa et seq.] by the amendments made by this part [part E (§§461-468) of title IV of Pub. L. 102-325, enacting section 1087ii of this title and amending sections 1087aa to 1087gg of this title] shall take effect on the date of enactment of this Act [July 23, 1992], except that—

“(1) the changes in section 463(a)(2)(B) [20 U.S.C. 1087cc(a)(2)(B)], relating to the matching of Federal capital contributions, shall apply to funds provided for such program for the award years beginning on or after July 1, 1993;

“(2) the changes made in section 464(c)(1)(C) [20 U.S.C. 1087dd(c)(1)(C)], relating to minimum monthly payments shall apply with respect to loans for which the first disbursement is made on or after October 1, 1992, to an individual who, on the date the loan is made, has no outstanding balance of principal or interest owing on any loan made under part E of title IV of the Act;

“(3) the changes made in section 464(c)(2)(A), relating to deferments, shall apply with respect to loans for which the first disbursement is made on or after July 1, 1993;

“(4) the changes made in section 467 [20 U.S.C. 1087gg], relating to the creation of a Perkins Loan

Revolving Fund, shall take effect on September 15, 1997; and

“(5) the changes in section 464(a)(2)(A), (B) and (C) shall not apply to any loan made for the award year beginning July 1, 1992 provided that the loan does not result in a violation of section 464(a)(2)(A), (B) and (C) as in effect prior to such date of enactment.”

[Pub. L. 102-394, title III, §307(b), Oct. 6, 1992, 106 Stat. 1820, provided that: “The amendments made by subsection (a) [amending section 468 of Pub. L. 102-325, set out above] shall take effect as if enacted on July 23, 1992.”]

EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101-239 applicable to any loan made, insured, or guaranteed under this part or part B of this subchapter, including a loan made before Dec. 19, 1989, and amendment effective Jan. 1, 1990, but inapplicable with respect to any portion of a period of deferment granted to a borrower under section 1077(a)(2)(C)(i), 1078(b)(1)(M)(i), or 1087dd(c)(2)(A)(i) of this title for service in a medical internship or residency program completed prior to Dec. 19, 1989, see section 2002(a)(4) of Pub. L. 101-239, set out as a note under section 1077 of this title.

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.

Pub. L. 99-498, title IV, §405(b), Oct. 17, 1986, 100 Stat. 1454, as amended by Pub. L. 100-50, §22(d), June 3, 1987, 101 Stat. 361, provided that:

“(1) Section 462 of the Act [20 U.S.C. 1087bb] shall apply with respect to academic year 1988-1989 and succeeding academic years.

“(2) The changes made in sections 464(c)(1)(A), 464(c)(2), and 465(a)(2)(E) of the Act [20 U.S.C. 1087dd(c)(1)(A), (2), 1087ee(a)(2)(E)] shall apply 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.

“(3) Section 463(a)(9) and section 463A of the Act [20 U.S.C. 1087cc(a)(9), 1087cc-1] as amended by this section shall apply only to loans made for periods of enrollment beginning on or after July 1, 1987.

“(4) For the purpose of this subsection, the term ‘new borrower’ means, with respect to any date, an individual who on that date has no outstanding balance of principal or interest owing on any loan made under part E of title IV of the Act [this part].”

CONSTRUCTION OF 2006 AMENDMENT

Nothing in amendment by 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.

§ 1087ee. Cancellation of loans for certain public service

(a) Cancellation of percentage of debt based on years of qualifying service

(1) The percent specified in paragraph (3) of this subsection of the total amount of any loan made after June 30, 1972, from a student loan fund assisted under this part shall be canceled for each complete year of service after such date by the borrower under circumstances described in paragraph (2).

(2) Loans shall be canceled under paragraph (1) for service—

(A) as a full-time teacher for service in an academic year (including such a teacher employed by an educational service agency)—

(i) in a public or other nonprofit private elementary school or secondary school, which, for the purpose of this paragraph and for that year—

(I) has been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the school is located) to be a school in which the number of children meeting a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6313(a)(5)], exceeds 30 percent of the total number of children enrolled in such school; and

(II) is in the school district of a local educational agency which is eligible in such year for assistance pursuant to part A of title I of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6311 et seq.]; or

(ii) in one or more public, or nonprofit private, elementary schools or secondary schools or locations operated by an educational service agency that have been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the educational service agency operates) to be a school or location at which the number of children taught who meet a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6313(a)(5)], exceeds 30 percent of the total number of children taught at such school or location;

(B) as a full-time staff member in a pre-school program carried on under the Head Start Act [42 U.S.C. 9831 et seq.], or in a pre-kindergarten or child care program that is licensed or regulated by the State, that is operated for a period which is comparable to a full school year in the locality if the salary of such staff member is not more than the salary of a comparable employee of the local educational agency;

(C) as a full-time special education teacher, including teachers of infants, toddlers, children, or youth with disabilities in a public or other nonprofit elementary or secondary school system, including a system administered by an educational service agency, or as a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by the lead agency as authorized in section 1435(a)(10) of this title;

(D) as a member of the Armed Forces of the United States, for service that qualifies for special pay under section 310 of title 37 as an area of hostilities;

(E) as a volunteer under the Peace Corps Act [22 U.S.C. 2501 et seq.] or a volunteer under the Domestic Volunteer Service Act of 1973 [42 U.S.C. 4950 et seq.];

(F) as a full-time law enforcement officer or corrections officer for service to local, State,

or Federal law enforcement or corrections agencies, or as a full-time attorney employed in a defender organization established in accordance with section 3006A(g)(2) of title 18;

(G) as a full-time teacher of mathematics, science, foreign languages, bilingual education, or any other field of expertise where the State educational agency determines there is a shortage of qualified teachers;

(H) as a full-time nurse or medical technician providing health care services;

(I) as a full-time employee of a public or private nonprofit child or family service agency who is providing, or supervising the provision of, services to high-risk children who are from low-income communities and the families of such children;

(J) as a full-time fire fighter for service to a local, State, or Federal fire department or fire district;

(K) as a full-time faculty member at a Tribal College or University, as that term is defined in section 1059c of this title;

(L) as a librarian, if the librarian has a master's degree in library science and is employed in—

(i) an elementary school or secondary school that is eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6311 et seq.]; or

(ii) a public library that serves a geographic area that contains one or more schools eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965; or

(M) as a full-time speech language pathologist, if the pathologist has a masters degree and is working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6301 et seq.].

For the purpose of this paragraph, the term “children with disabilities” has the meaning set forth in section 1401 of this title.

(3)(A) The percent of a loan which shall be canceled under paragraph (1) of this subsection is—

(i) in the case of service described in subparagraph (A), (C), (D), (F), (G), (H), (I), (J), (K), (L), or (M) of paragraph (2), at the rate of 15 percent for the first or second year of such service, 20 percent for the third or fourth year of such service, and 30 percent for the fifth year of such service;

(ii) in the case of service described in subparagraph (B) of paragraph (2), at the rate of 15 percent for each year of such service; or

(iii) in the case of service described in subparagraph (E) of paragraph (2) at the rate of 15 percent for the first or second year of such service and 20 percent for the third or fourth year of such service.

(B) If a portion of a loan is canceled under this subsection for any year, the entire amount of interest on such loan which accrues for such year shall be canceled.

(C) Nothing in this subsection shall be construed to authorize refunding of any repayment of a loan.

(4) For the purpose of this subsection, the term “year” where applied to service as a teacher means academic year as defined by the Secretary.

(5) The amount of a loan, and interest on a loan, which is canceled under this section shall not be considered income for purposes of title 26.

(6) No borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

(7) An individual with an outstanding loan obligation under this part who performs service of any type that is described in paragraph (2) as in effect on October 7, 1998, shall be eligible for cancellation under this section for such service notwithstanding any contrary provision of the promissory note under which the loan or loans were made, and notwithstanding any amendment (or effective date provision relating to any amendment) to this section made prior to the date of such service.

(b) Reimbursement for cancellation

The Secretary shall pay to each institution for each fiscal year an amount equal to the aggregate of the amounts of loans from its student loan fund which are canceled pursuant to this section for such year, minus an amount equal to the aggregate of the amounts of any such loans so canceled which were made from Federal capital contributions to its student loan fund provided by the Secretary under section 1087hh of this title. None of the funds appropriated pursuant to section 1087aa(b)¹ of this title shall be available for payments pursuant to this subsection. To the extent feasible, the Secretary shall pay the amounts for which any institution qualifies under this subsection not later than 3 months after the institution files an institutional application for campus-based funds.

(c) Special rules

(1) List

If the list of schools in which a teacher may perform service pursuant to subsection (a)(2)(A) 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.

(2) Continuing eligibility

Any teacher who performs service in a school which—

- (A) meets the requirements of subsection (a)(2)(A) of this section in any year; 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 cancellation pursuant to subsection (a)(1) of this section such² subsequent years.

(Pub. L. 89-329, title IV, § 465, as added Pub. L. 99-498, title IV, § 405(a), Oct. 17, 1986, 100 Stat. 1451; amended Pub. L. 100-50, § 13(j), June 3, 1987, 101 Stat. 349; Pub. L. 100-369, § 7(c), July 18, 1988,

102 Stat. 837; Pub. L. 101-476, title IX, § 901(e), Oct. 30, 1990, 104 Stat. 1151; Pub. L. 101-647, title XXI, § 2101(a), (b), Nov. 29, 1990, 104 Stat. 4856; Pub. L. 102-119, § 26(h), Oct. 7, 1991, 105 Stat. 607; Pub. L. 102-325, title IV, § 465(a)–(c), July 23, 1992, 106 Stat. 582, 583; Pub. L. 103-82, title I, § 102(c)(3), Sept. 21, 1993, 107 Stat. 824; Pub. L. 103-208, § 2(f)(12)–(14), (k)(7), Dec. 20, 1993, 107 Stat. 2471, 2486; Pub. L. 103-382, title III, § 391(e)(3), Oct. 20, 1994, 108 Stat. 4022; Pub. L. 105-244, title IV, § 465, Oct. 7, 1998, 112 Stat. 1728; Pub. L. 108-446, title III, § 305(c)(1), Dec. 3, 2004, 118 Stat. 2805; Pub. L. 110-315, title IV, § 465, Aug. 14, 2008, 122 Stat. 3267; Pub. L. 111-39, title IV, § 405(5), July 1, 2009, 123 Stat. 1947.)

REFERENCES IN TEXT

The Elementary and Secondary Education Act of 1965, referred to in subsec. (a)(2)(A)(i), (L), (M), is Pub. L. 89-10, Apr. 11, 1965, 79 Stat. 27. Title I of the Act is classified generally to subchapter I (§ 6301 et seq.) of chapter 70 of this title. Part A of title I of the Act is classified generally to part A (§ 6311 et seq.) of subchapter I of chapter 70 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 6301 of this title and Tables.

The Head Start Act, referred to in subsec. (a)(2)(B), is subchapter B (§§ 635 to 657) of chapter 8 of subtitle A of title VI of Pub. L. 97-35, Aug. 13, 1981, 95 Stat. 499, as amended, which is classified generally to subchapter II (§ 9831 et seq.) of chapter 105 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 9801 of Title 42 and Tables.

The Peace Corps Act, referred to in subsec. (a)(2)(E), is Pub. L. 87-293, Sept. 22, 1961, 75 Stat. 612, as amended, which is classified principally to chapter 34 (§ 2501 et seq.) of Title 22, Foreign Relations and Intercourse. For complete classification of this Act to the Code, see Short Title note set out under section 2501 of Title 22 and Tables.

The Domestic Volunteer Service Act of 1973, referred to in subsec. (a)(2)(E), is Pub. L. 93-113, Oct. 1, 1973, 87 Stat. 394, as amended, which is classified principally to chapter 66 (§ 4950 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 4950 of Title 42 and Tables.

The National and Community Service Act of 1990, referred to in subsec. (a)(6), is Pub. L. 101-610, Nov. 16, 1990, 104 Stat. 3127, as amended. Subtitle D of title I of the Act is classified generally to division D of subchapter I (§ 12601 et seq.) of chapter 129 of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 12501 of Title 42 and Tables.

Section 1087aa of this title, referred to in subsec. (b), was amended by Pub. L. 114-105, § 2(a)(1)(B), Dec. 18, 2015, 129 Stat. 2219, which struck out subsec. (b) authorizing appropriations and added a new subsec. (b) authorizing institutions of higher education to make loans.

CODIFICATION

Amendment by section 2(f)(14) of Pub. L. 103-208 (which was effective as if included in Pub. L. 102-325) was executed to this section as amended by Pub. L. 102-325 and Pub. L. 103-82, to reflect the probable intent of Congress.

PRIOR PROVISIONS

A prior section 1087ee, Pub. L. 89-329, title IV, § 465, as added Pub. L. 92-318, title I, § 137(b), June 23, 1972, 86 Stat. 277; amended Pub. L. 95-561, title XIII, § 1323, Nov. 1, 1978, 92 Stat. 2363; Pub. L. 96-374, title IV, §§ 442(b)(6), 448(d), (e), title XIII, § 1391(a)(1), Oct. 3, 1980, 94 Stat. 1440, 1443, 1503, related to cancellation of loans for cer-

¹ See References in Text note below.

² So in original. Probably should be “in such”.

tain public service, prior to the general revision of this part by Pub. L. 99-498.

AMENDMENTS

2009—Subsec. (a)(6). Pub. L. 111-39 substituted “12601” for “12571”.

2008—Subsec. (a)(2)(A). Pub. L. 110-315, § 465(1)(A), added subpar. (A) and struck out former subpar. (A) which read as follows: “as a full-time teacher for service in an academic year in a public or other nonprofit private elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 111(c) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school;”.

Subsec. (a)(2)(B). Pub. L. 110-315, § 465(1)(B), substituted “Head Start Act, or in a prekindergarten or child care program that is licensed or regulated by the State, that” for “Head Start Act which”.

Subsec. (a)(2)(C). Pub. L. 110-315, § 465(1)(C), inserted “, including a system administered by an educational service agency” after “secondary school system”.

Subsec. (a)(2)(F). Pub. L. 110-315, § 465(1)(D), added subpar. (F) and struck out former subpar. (F) which read as follows: “as a full-time law enforcement officer or corrections officer for service to local, State, or Federal law enforcement or corrections agencies;”.

Subsec. (a)(2)(J) to (M). Pub. L. 110-315, § 465(1)(E)–(G), added subpars. (J) to (M).

Subsec. (a)(3)(A)(i). Pub. L. 110-315, § 465(2)(A), inserted “(D),” after “(C),” and substituted “(I), (J), (K), (L), or (M)” for “or (I)”.

Subsec. (a)(3)(A)(iii), (iv). Pub. L. 110-315, § 465(2)(B)–(D), redesignated cl. (iv) as (iii) and struck out former cl. (iii) which read as follows: “in the case of service described in subparagraph (D) of paragraph (2), not to exceed a total of 50 percent of such loan at the rate of 12½ percent for each year of qualifying service; or”.

2004—Subsec. (a)(2)(C). Pub. L. 108-446 made technical amendment to reference in original act which appears in text as reference to section 1435(a)(10) of this title.

1998—Subsec. (a)(2). Pub. L. 105-244, § 465(1)(B), substituted “section 1401” for “section 1401(a)(1)” in concluding provisions.

Subsec. (a)(2)(C). Pub. L. 105-244, § 465(1)(A), substituted “section 1435(a)(10)” for “section 1476(b)(9)”.

Subsec. (a)(7). Pub. L. 105-244, § 465(1)(C), added par. (7).

Subsec. (b). Pub. L. 105-244, § 465(2), inserted at end “To the extent feasible, the Secretary shall pay the amounts for which any institution qualifies under this subsection not later than 3 months after the institution files an institutional application for campus-based funds.”

1994—Subsec. (a)(2)(A). Pub. L. 103-382 substituted “title I of the Elementary and Secondary Education Act of 1965” for “chapter 1 of the Education Consolidation and Improvement Act of 1981”.

1993—Subsec. (a)(2)(A). Pub. L. 103-208, § 2(k)(7), amended Pub. L. 102-325, § 465(a)(1). See 1992 Amendment note below.

Subsec. (a)(2)(D). Pub. L. 103-208, § 2(f)(12), substituted “service” for “services”.

Subsec. (a)(2)(F). Pub. L. 103-208, § 2(f)(13), struck out “or” after semicolon at end.

Subsec. (a)(6). Pub. L. 103-208, § 2(f)(14), realigned margin. See Codification note above.

Pub. L. 103-82 added par. (6).

1992—Subsec. (a)(2)(A). Pub. L. 102-325, § 465(a)(1), as amended by Pub. L. 103-208, § 2(k)(7), struck out before semicolon at end “and such determination shall not be

made with respect to more than 50 percent of the total number of schools in the State receiving assistance under such chapter 1”.

Subsec. (a)(2)(C). Pub. L. 102-325, § 465(a)(2), amended subpar. (C) generally. Prior to amendment, subpar. (C) read as follows: “as a full-time teacher of children with disabilities in a public or other nonprofit elementary or secondary school system;”.

Subsec. (a)(2)(G) to (I). Pub. L. 102-325, § 465(a)(3)–(5), added subpars. (G) to (I).

Subsec. (a)(3)(A)(i). Pub. L. 102-325, § 465(b), substituted “(A), (C), (F), (G), (H), or (I)” for “(A), (C), or (F)”.

Subsec. (c). Pub. L. 102-325, § 465(c), added subsec. (c).

1991—Subsec. (a)(2). Pub. L. 102-119 substituted “1401(a)(1)” for “1401(1)” in last sentence. The references to section 1401 include the substitution of “Individuals with Disabilities Education Act” for “Education of the Handicapped Act” in the original.

1990—Subsec. (a)(2). Pub. L. 101-476, § 901(e), substituted “children with disabilities” for “handicapped children” in two places.

Subsec. (a)(2)(F). Pub. L. 101-647, § 2101(a), which directed amendment of subsec. (a)(2) by adding at the end a new subpar. (F), was executed by adding subpar. (F) after subpar. (E) and before last sentence to reflect the probable intent of Congress.

Subsec. (a)(3)(A)(i). Pub. L. 101-647, § 2101(b), which directed amendment of subsec. (a)(3)(i) by substituting “(A), (C), or (F)” for “(A) or (C)”, was executed by making the substitution in subsec. (a)(3)(A)(i) to reflect the probable intent of Congress.

1988—Subsec. (a)(5). Pub. L. 100-369 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”, which for purposes of codification was translated as “title 26” thus requiring no change in text.

1987—Subsec. (a)(2)(A). Pub. L. 100-50, § 13(j)(1), (2), substituted “chapter 1 of the Education Consolidation and Improvement Act of 1981” for “title I of the Elementary and Secondary Education Act of 1965” and “such chapter 1” for “such title I”.

Subsec. (a)(2)(B). Pub. L. 100-50, § 13(j)(3), substituted “the Head Start Act” for “section 2809(a)(1) of title 42”.

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

Beginning October 1, 2017, 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, 2017, 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

Beginning October 1, 2017, 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, 2017, 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, 2017, 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; Pub. L. 114-105, § 2(b), Dec. 18, 2015, 129 Stat. 2220.)

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

2015—Subsec. (a). Pub. L. 114-105, § 2(b)(1)(A), substituted “Beginning October 1, 2017” for “After September 30, 2003, and not later than March 31, 2004” in introductory provisions.

Subsec. (a)(1). Pub. L. 114-105, § 2(b)(1)(B), substituted “September 30, 2017” for “September 30, 2003”.

Subsec. (b). Pub. L. 114-105, § 2(b)(2), substituted “Beginning October 1, 2017” for “After October 1, 2012” and “September 30, 2017” for “September 30, 2003”.

Subsec. (c)(1). Pub. L. 114-105, § 2(b)(3), substituted “October 1, 2017” for “October 1, 2004” in introductory provisions.

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.