

tary department concerned may pay not more than \$60,000 on behalf of the person. This maximum amount shall be increased annually by the Secretary of Defense effective October 1 of each year by the percentage equal to the percent increase in the average annual cost of educational expenses and stipend costs of a single scholarship under the Armed Forces Health Professions Scholarship and Financial Assistance program.

(f) ACTIVE DUTY SERVICE OBLIGATION.—(1) A person entering into an agreement described in subsection (b)(3) incurs an active duty service obligation. The length of this obligation shall be determined under regulations prescribed by the Secretary of Defense, but those regulations may not provide for a period of obligation of less than one year for each maximum annual amount, or portion thereof, paid on behalf of the person for qualified loans.

(2) For persons on active duty before entering into the agreement, the active duty service obligation shall be served consecutively to any other obligation incurred under the agreement.

(g) EFFECT OF FAILURE TO COMPLETE OBLIGATION.—(1) A commissioned officer who is relieved of the officer's active duty obligation under this section before the completion of that obligation may be given, with or without the consent of the officer, any alternative obligation comparable to any of the alternative obligations authorized by section 2123(e) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.

(2) An officer who does not complete the period of active duty specified in the agreement entered into under subsection (b)(3), or the alternative obligation imposed under paragraph (1), shall be subject to the repayment provisions of section 303a(e) of title 37.

(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section, including standards for qualified loans and authorized payees and other terms and conditions for the making of loan repayments.

(Added Pub. L. 105–85, div. A, title VI, § 651(a), Nov. 18, 1997, 111 Stat. 1802; amended Pub. L. 107–314, div. A, title V, § 573, Dec. 2, 2002, 116 Stat. 2558; Pub. L. 109–163, div. A, title VI, § 687(c)(7), Jan. 6, 2006, 119 Stat. 3334; Pub. L. 109–364, div. A, title V, § 537(a), Oct. 17, 2006, 120 Stat. 2209; Pub. L. 111–383, div. A, title V, § 553, Jan. 7, 2011, 124 Stat. 4220.)

AMENDMENTS

2011—Subsec. (c)(4). Pub. L. 111–383 added par. (4).
2006—Subsec. (e)(2). Pub. L. 109–364 substituted “\$60,000” for “\$22,000”.

Subsec. (g). Pub. L. 109–163 designated existing provisions as par. (1) and added par. (2).

2002—Subsec. (d). Pub. L. 107–314, § 573(a), substituted “Students” for “Participants of the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of this title and students”.

Subsec. (e)(2). Pub. L. 107–314, § 573(b), struck out at end “The total amount that may be repaid on behalf of any person may not exceed an amount determined on the basis of a four-year active duty service obligation.”

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109–364, div. A, title V, § 537(b), Oct. 17, 2006, 120 Stat. 2209, provided that:

“(1) IN GENERAL.—The amendment made by subsection (a) [amending this section] shall take effect on October 1, 2006, and shall apply to agreements entered into or revised under section 2173 of title 10, United States Code, on or after that date.

“(2) PROHIBITION ON ADJUSTMENT.—The adjustment required by the second sentence of section 2173(e)(2) of title 10, United States Code, to be made on October 1, 2006, shall not be made.”

SAVINGS PROVISION

For savings provision relating to payment or repayment of any bonus, incentive pay, special pay, or similar pay obligated to be paid before Apr. 1, 2006, under a provision of this section amended by section 687(c) of Pub. L. 109–163, see section 687(f) of Pub. L. 109–163, set out as a note under section 510 of this title.

§ 2174. Interest payment program: members on active duty

(a) AUTHORITY.—(1) The Secretary concerned may pay in accordance with this section the interest and any special allowances that accrue on one or more student loans of an eligible member of the armed forces.

(2) The Secretary of a military department may exercise the authority under paragraph (1) only if approved by the Secretary of Defense and subject to such requirements, conditions, and restrictions as the Secretary of Defense may prescribe.

(b) ELIGIBLE MEMBERS.—A member of the armed forces is eligible for the benefit under subsection (a) while the member—

(1) is serving on active duty in fulfillment of the member's first enlistment in the armed forces or, in the case of an officer, is serving on active duty and has not completed more than three years of service on active duty;

(2) is the debtor on one or more unpaid loans described in subsection (c); and

(3) is not in default on any such loan.

(c) STUDENT LOANS.—The authority to make payments under subsection (a) may be exercised with respect to the following loans:

(1) A loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.).

(2) A loan made under part D of such title (20 U.S.C. 1087a et seq.).

(3) A loan made under part E of such title (20 U.S.C. 1087aa et seq.).

(d) MAXIMUM BENEFIT.—The months for which interest and any special allowance may be paid on behalf of a member of the armed forces under this section are any 36 consecutive months during which the member is eligible under subsection (b).

(e) FUNDS FOR PAYMENTS.—Appropriations available for the pay and allowances of military personnel shall be available for payments under this section.

(f) COORDINATION.—(1) The Secretary of Defense and, with respect to the Coast Guard when it is not operating as a service in the Navy, the Secretary of the Department in which the Coast Guard is operating shall consult with the Secretary of Education regarding the administration of the authority under this section.

(2) The Secretary concerned shall transfer to the Secretary of Education the funds necessary—

(A) to pay interest and special allowances on student loans under this section (in accordance with sections 428(o), 455(l), and 464(j) of the Higher Education Act of 1965 (20 U.S.C. 1078(o), 1087e(l), and 1087dd(j)); and

(B) to reimburse the Secretary of Education for any reasonable administrative costs incurred by the Secretary in coordinating the program under this section with the administration of the student loan programs under parts B, D, and E of title IV of the Higher Education Act of 1965.

(g) SPECIAL ALLOWANCE DEFINED.—In this section, the term “special allowance” means a special allowance that is payable under section 438 of the Higher Education Act of 1965 (20 U.S.C. 1087-1).

(Added Pub. L. 107-314, div. A, title VI, § 651(a)(1), Dec. 2, 2002, 116 Stat. 2578.)

REFERENCES IN TEXT

The Higher Education Act of 1965, referred to in subsecs. (c) and (f)(2)(B), is Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219. Parts B, D, and E of title IV of the Act are classified to parts B (§1071 et seq.), D (§1087a et seq.), and E (§1087aa et seq.), respectively, of subchapter IV of chapter 28 of Title 20, Education. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of Title 20 and Tables.

EFFECTIVE DATE

Pub. L. 107-314, div. A, title VI, § 651(e), Dec. 2, 2002, 116 Stat. 2581, provided that: “The amendments made by this section [enacting this section and amending sections 1078, 1087e, and 1087dd of Title 20, Education] shall apply with respect to interest, and any special allowance under section 438 of the Higher Education Act of 1965 [20 U.S.C. 1087-1], that accrue for months beginning on or after October 1, 2003, on student loans described in subsection (c) of section 2174 of title 10, United States Code (as added by subsection (a)), 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, United States Code) on or after that date.”

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

CHAPTER 110—EDUCATIONAL ASSISTANCE FOR MEMBERS HELD AS CAPTIVES AND THEIR DEPENDENTS

Sec.	
2181.	Definitions.
2182.	Educational assistance: dependents of captives.
2183.	Educational assistance: former captives.
2184.	Termination of assistance.
2185.	Programs to be consistent with programs administered by the Department of Veterans Affairs.

AMENDMENTS

1990—Pub. L. 101-510, div. A, title XIV, § 1484(i)(5), Nov. 5, 1990, 104 Stat. 1718, inserted “administered by” after “programs” in item 2185.

1989—Pub. L. 101-189, div. A, title XVI, § 1621(a)(7)(B), Nov. 29, 1989, 103 Stat. 1603, substituted “programs the Department of Veterans Affairs” for “programs administered by the Veterans’ Administration” in item 2185.

§ 2181. Definitions

In this chapter:

(1) The terms “captive status” and “former captive” have the meanings given those terms in section 559 of title 37.

(2) The term “dependent” has the meaning given that term in section 551 of that title.

(Added Pub. L. 99-399, title VIII, § 806(d)(1), Aug. 27, 1986, 100 Stat. 887, and Pub. L. 100-26, § 7(k)(6), Apr. 21, 1987, 101 Stat. 284.)

AMENDMENTS

1987—Pub. L. 100-26, substituted “The terms ‘captive’” for “‘Captive’” in par. (1) and “The term ‘dependent’” for “‘Dependent’” in par. (2).

EFFECTIVE DATE

Pub. L. 99-399, title VIII, § 806(d)(3), Aug. 27, 1986, 100 Stat. 888, provided that: “Chapter 110 of title 10, United States Code, as added by paragraph (1), shall apply with respect to persons whose captive status begins after January 21, 1981.”

§ 2182. Educational assistance: dependents of captives

(a) Under regulations prescribed by the President, the Secretary concerned shall pay (by advancement or reimbursement) a dependent of a person who is in a captive status for expenses incurred, while attending an educational or training institution, for—

- (1) subsistence;
- (2) tuition;
- (3) fees;
- (4) supplies;
- (5) books;
- (6) equipment; and
- (7) other educational expenses.

(b) Except as provided in section 2184 of this title, payments shall be available under this section for a dependent of a person who is in a captive status for education or training that occurs—

- (1) after that person is in a captive status for not less than 90 days; and
- (2) on or before—

(A) the end of any semester or quarter (as appropriate) that begins before the date on which the captive status of that person terminates;

(B) the earlier of the end of any course that began before such date or the end of the 16-week period following that date if the educational or training institution is not operated on a semester or quarter system; or

(C) a date specified by the Secretary concerned in order to respond to special circumstances.

(c) If a person in a captive status or a former captive dies and the death is incident to the captivity, payments shall be available under this section for a dependent of that person for education or training that occurs after the date of the death of that person.

(d) The provisions of this section shall not apply to any dependent who is eligible for assist-