

§ 16203. Penalties and limitations

(a) FAILURE TO COMPLETE PROGRAM OF TRAINING.—(1) A member of the program who, under regulations prescribed by the Secretary of Defense, is dropped from the program for deficiency in training, or for other reasons, shall be required, at the discretion of the Secretary concerned—

(A) to perform one year of active duty for each year (or part thereof) for which such person was provided financial assistance under this section; or

(B) to comply with the repayment provisions of section 303a(e) of title 37.

(2) The Secretary of a military department, under regulations prescribed by the Secretary of Defense, may relieve a member participating in the program who is dropped from the program from any requirement that may be imposed under paragraph (1), but such relief shall not relieve him from any military obligation imposed by any other law.

(b) PROHIBITIONS OF DUPLICATE BENEFITS.—Financial assistance may not be provided under this section to a member receiving financial assistance under section 2107 of this title.

(Added Pub. L. 100-180, div. A, title VII, §711(a)(3), Dec. 4, 1987, 101 Stat. 1111, §2130; renumbered §16203 and amended Pub. L. 103-337, div. A, title XVI, §1663(c)(4), Oct. 5, 1994, 108 Stat. 3008; Pub. L. 109-163, div. A, title VI, §687(c)(13), Jan. 6, 2006, 119 Stat. 3335.)

AMENDMENTS

2006—Subsec. (a)(1)(B). Pub. L. 109-163 amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “to repay the United States an amount equal to the total amount paid to such person under the program.”

1994—Pub. L. 103-337, §1663(c)(4), renumbered section 2130 of this title as this section and substituted “Penalties and limitations” for “Penalties, limitations, and other administrative provisions” as section catchline.

Subsec. (c). Pub. L. 103-337, §1663(c)(4)(A), struck out subsec. (c) which related to regulations. See section 16204 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-337 effective Dec. 1, 1994, except as otherwise provided, see section 1691 of Pub. L. 103-337, set out as an Effective Date note under section 10001 of this title.

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.

§ 16204. Regulations

This chapter shall be administered under regulations prescribed by the Secretary of Defense.

(Added Pub. L. 103-337, div. A, title XVI, §1663(c)(1), Oct. 5, 1994, 108 Stat. 3007.)

PRIOR PROVISIONS

Provisions similar to those in this section were contained in section 2130(c) of this title, prior to amendment by Pub. L. 103-337, §1663(c)(4)(A).

EFFECTIVE DATE

Section effective Dec. 1, 1994, except as otherwise provided, see section 1691 of Pub. L. 103-337, set out as a note under section 10001 of this title.

CHAPTER 1609—EDUCATION LOAN REPAYMENT PROGRAMS

Sec. 16301.	Education loan repayment program: members of Selected Reserve.
16302.	Education loan repayment program: health professions officers serving in Selected Reserve with wartime critical medical skill shortages.
16303.	Loan repayment program: chaplains serving in the Selected Reserve.

AMENDMENTS

2008—Pub. L. 110-181, div. A, title VI, §672(c)(2), Jan. 28, 2008, 122 Stat. 185, substituted “Education loan repayment program: members of Selected Reserve” for “Education loan repayment program: enlisted members of Selected Reserve with critical specialties” in item 16301.

2006—Pub. L. 109-163, div. A, title VI, §684(b), Jan. 6, 2006, 119 Stat. 3325, added item 16303.

§ 16301. Education loan repayment program: members of Selected Reserve

(a)(1) Subject to the provisions of this section, the Secretary of Defense may repay—

(A) any 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.);

(B) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.);

(C) any loan made under part E of such title (20 U.S.C. 1087aa et seq.); or

(D) any loan incurred for educational purposes made by a lender that is—

(i) an agency or instrumentality of a State;

(ii) a financial or credit institution (including an insurance company) that is subject to examination and supervision by an agency of the United States or any State;

(iii) a pension fund approved by the Secretary for purposes of this section; or

(iv) a nonprofit private entity designated by a State, regulated by that State, and approved by the Secretary for purposes of this section.

Repayment of any such loan shall be made on the basis of each complete year of service performed by the borrower.

(2) The Secretary of Defense may repay loans described in paragraph (1) in the case of any person for service performed as a member of the Selected Reserve of the Ready Reserve of an armed force in a reserve component and in an officer program or military specialty specified by the Secretary of Defense. The Secretary may repay such a loan only if the person to whom the loan was made performed such service after the loan was made.

(b) The portion or amount of a loan that may be repaid under subsection (a) is 15 percent or \$500, whichever is greater, for each year of service, plus the amount of any interest that may accrue during the current year.

(c) If a portion of a loan is repaid under this section for any year, interest on the remainder

of the loan shall accrue and be paid in the same manner as is otherwise required. For the purposes of this section, any interest that has accrued on the loan for periods before the current year shall be considered as within the total loan amount that shall be repaid.

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

(e) A person who transfers from service making the person eligible for repayment of loans under this section (as described in subsection (a)(2)) to service making the person eligible for repayment of loans under section 2171 of this title (as described in subsection (a)(2) of that section) during a year shall be eligible to have repaid a portion of such loan determined by giving appropriate fractional credit for each portion of the year so served, in accordance with regulations of the Secretary concerned.

(f) The Secretary of Defense shall, by regulation, prescribe a schedule for the allocation of funds made available to carry out the provisions of this section and section 2171 of this title during any year for which funds are not sufficient to pay the sum of the amounts eligible for repayment under subsection (a) and section 2171(a) of this title.

(g) The Secretary of Homeland Security may repay loans described in subsection (a)(1) and otherwise administer this section in the case of members of the Selected Reserve of the Coast Guard Reserve when the Coast Guard is not operating as a service in the Navy.

(h) Except a person described in subsection (e) who transfers to service making the person eligible for repayment of loans under section 2171 of this title, a member of the armed forces who fails to complete the period of service required to qualify for loan repayment under this section shall be subject to the repayment provisions of section 303a(e) of title 37.

(i) The Secretary of Defense may prescribe, by regulations, procedures for implementing this section, including standards for qualified loans and authorized payees and other terms and conditions for making loan repayments. Such regulations may include exceptions that would allow for the payment as a lump sum of any loan repayment due to a member under a written agreement that existed at the time of a member's death or disability.

(Added Pub. L. 103-337, div. A, title XVI, §1663(d)(1), Oct. 5, 1994, 108 Stat. 3008; amended Pub. L. 104-106, div. A, title X, §1079(b), Feb. 10, 1996, 110 Stat. 451; Pub. L. 106-65, div. A, title VI, §676, Oct. 5, 1999, 113 Stat. 676; Pub. L. 107-296, title XVII, §1704(b)(1), Nov. 25, 2002, 116 Stat. 2314; Pub. L. 108-136, div. A, title V, §534, Nov. 24, 2003, 117 Stat. 1474; Pub. L. 108-375, div. A, title V, §526, Oct. 28, 2004, 118 Stat. 1890; Pub. L. 110-181, div. A, title VI, §672(a)-(c)(1), Jan. 28, 2008, 122 Stat. 184, 185; Pub. L. 111-383, div. A, title V, §552(b), Jan. 7, 2011, 124 Stat. 4220.)

REFERENCES IN TEXT

The Higher Education Act of 1965, referred to in subsec. (a)(1), 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 classifica-

tion of this Act to the Code, see Short Title note set out under section 1001 of Title 20 and Tables.

AMENDMENTS

2011—Subsecs. (h), (i). Pub. L. 111-383 added subsecs. (h) and (i).

2008—Pub. L. 110-181, §672(c)(1), substituted “Education loan repayment program: members of Selected Reserve” for “Education loan repayment program: enlisted members of Selected Reserve with critical specialties” in section catchline.

Subsec. (a)(1)(D). Pub. L. 110-181, §672(a), added subpar. (D).

Subsec. (a)(2). Pub. L. 110-181, §672(b)(1), substituted “The Secretary” for “Except as provided in paragraph (3), the Secretary” and “a member of the Selected Reserve of the Ready Reserve of an armed force in a reserve component and in an officer program or military specialty” for “an enlisted member of the Selected Reserve of the Ready Reserve of an armed force in a reserve component and military specialty”.

Subsec. (a)(3). Pub. L. 110-181, §672(b)(2), struck out par. (3) which read as follows: “In the case of a commitment made by the Secretary of Defense after the date of the enactment of this paragraph to repay a loan under paragraph (1) conditioned upon the performance by the borrower of service as an enlisted member under paragraph (2), the Secretary may repay the loan for service performed by the borrower as an officer (rather than as an enlisted member) in the case of a borrower who, after such commitment is entered into and while performing service as an enlisted member, accepts an appointment or commission as a warrant officer or commissioned officer of the Selected Reserve.”

2004—Subsec. (a)(2). Pub. L. 108-375, §526(1), substituted “Except as provided in paragraph (3), the Secretary of Defense may repay loans” for “The Secretary may repay loans”.

Subsec. (a)(3). Pub. L. 108-375, §526(2), added par. (3).
2003—Subsec. (b). Pub. L. 108-136, §534(1), inserted before period at end “, plus the amount of any interest that may accrue during the current year”.

Subsec. (c). Pub. L. 108-136, §534(2), inserted last sentence.

2002—Subsec. (g). Pub. L. 107-296 substituted “of Homeland Security” for “of Transportation”.

1999—Subsec. (g). Pub. L. 106-65 added subsec. (g).

1996—Subsec. (a)(1). Pub. L. 104-106 struck out “or” at end of subpar. (A), added subpar. (B), and redesignated former subpar. (B) as (C).

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-296 effective on the date of transfer of the Coast Guard to the Department of Homeland Security, see section 1704(g) of Pub. L. 107-296, set out as a note under section 101 of this title.

EFFECTIVE DATE

Section effective Dec. 1, 1994, except as otherwise provided, see section 1691 of Pub. L. 103-337, set out as a note under section 10001 of this title.

§ 16302. Education loan repayment program: health professions officers serving in Selected Reserve with wartime critical medical skill shortages

(a) Under regulations prescribed by the Secretary of Defense and subject to the other provisions of this section, the Secretary concerned may repay—

(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) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or

(3) a loan made under part E of such title (20 U.S.C. 1087aa et seq.) after October 1, 1975;