

ing the eligible veteran's dependent's cost of attendance at an institution of higher education.

**(2) Designation**

Grants made under this section shall be known as "Iraq and Afghanistan Service Grants".

**(c) Prevention of double benefits**

No eligible veteran's dependent may receive a grant under both this section and section 1070a of this title.

**(d) Terms and conditions**

The Secretary shall award grants under this section in the same manner, and with the same terms and conditions, including the length of the period of eligibility, as the Secretary awards Federal Pell Grants under section 1070a of this title, except that—

(1) the award rules and determination of need applicable to the calculation of Federal Pell Grants, shall not apply to grants made under this section;

(2) the provisions of subsection (a)(3), subsection (b)(1), the matter following subsection (b)(2)(A)(v),<sup>1</sup> subsection (b)(3), and subsection (f), of section 1070a of this title shall not apply; and

(3) a grant made under this section to an eligible veteran's dependent for any award year shall equal the maximum Federal Pell Grant available for that award year, except that such a grant under this section—

(A) shall not exceed the cost of attendance of the eligible veteran's dependent for that award year; and

(B) shall be adjusted to reflect the attendance by the eligible veteran's dependent on a less than full-time basis in the same manner as such adjustments are made under section 1070a of this title.

**(e) Estimated financial assistance**

For purposes of determinations of need under part F, a grant awarded under this section shall not be treated as estimated financial assistance as described in sections 1087kk(3) and 1087vv(j) of this title.

**(f) Authorization and appropriations of funds**

There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, for the Secretary to carry out this section, such sums as may be necessary for fiscal year 2010 and each succeeding fiscal year.

(Pub. L. 89-329, title IV, §420R, as added Pub. L. 111-39, title IV, §401(a)(9), July 1, 2009, 123 Stat. 1939.)

REFERENCES IN TEXT

Section 1070a(b)(2)(A) of this title, referred to in subsec. (d)(2), as originally enacted, contained cls. (i) to (vi) followed by concluding provisions. Section 1070a(b)(2)(A) of this title was amended generally by section 2101(a)(1) of Pub. L. 111-152 and, as so amended, no longer contains either a cl. (v) or concluding provisions.

EFFECTIVE DATE

Pub. L. 111-39, title IV, §401(b), July 1, 2009, 123 Stat. 1940, provided that: "The amendment made by sub-

<sup>1</sup> See References in Text note below.

section (a)(9) [enacting this subpart] shall take effect on July 1, 2010."

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

CODIFICATION

Part B of title IV of the Higher Education Act of 1965, comprising this part, was originally enacted by Pub. L. 89-329, title IV, Nov. 8, 1965, 79 Stat. 1236, and amended by Pub. L. 89-698, Oct. 29, 1966, 80 Stat. 1066; Pub. L. 89-752, Nov. 3, 1966, 80 Stat. 1240; Pub. L. 89-794, Nov. 8, 1966, 80 Stat. 1451; Pub. L. 90-460, Aug. 3, 1968, 82 Stat. 634; Pub. L. 90-575, Oct. 16, 1968, 82 Stat. 1014; Pub. L. 91-206, Mar. 10, 1970, 84 Stat. 49; Pub. L. 92-318, June 23, 1972, 86 Stat. 235; Pub. L. 93-269, Apr. 18, 1974, 88 Stat. 87; Pub. L. 93-604, Jan. 2, 1975, 88 Stat. 1959; Pub. L. 94-273, Apr. 21, 1976, 90 Stat. 375; Pub. L. 94-328, June 30, 1976, 90 Stat. 727; Pub. L. 94-482, Oct. 12, 1976, 90 Stat. 2081; S. Res. 4, Feb. 4, 1977; Pub. L. 95-43, June 15, 1977, 91 Stat. 213; Pub. L. 95-561, Nov. 1, 1978, 92 Stat. 2143; Pub. L. 95-566, Nov. 1, 1978, 92 Stat. 2402; Pub. L. 95-598, Nov. 6, 1978, 92 Stat. 2549; Pub. L. 95-630, Nov. 10, 1978, 92 Stat. 3641; S. Res. 30, Mar. 7, 1979; Pub. L. 96-49, Aug. 13, 1979, 93 Stat. 351; Pub. L. 96-88, Oct. 17, 1979, 93 Stat. 668; Pub. L. 96-374, Oct. 3, 1980, 94 Stat. 1367; Pub. L. 97-35, Aug. 13, 1981, 95 Stat. 357; Pub. L. 97-115, Dec. 29, 1981, 95 Stat. 1595; Pub. L. 97-301, Oct. 13, 1982, 96 Stat. 1400; Pub. L. 98-79, Aug. 15, 1983, 97 Stat. 476; Pub. L. 99-272, Apr. 7, 1986, 100 Stat. 82; Pub. L. 99-320, May 23, 1986, 100 Stat. 491. Such part is shown herein, however, as having been added by Pub. L. 99-498, title IV, §402(a), Oct. 17, 1986, 100 Stat. 1353, without reference to such intervening amendments because of the extensive revision of part B by Pub. L. 99-498.

**§ 1071. Statement of purpose; nondiscrimination; and appropriations authorized**

**(a) Purpose; discrimination prohibited**

**(1) Purpose**

The purpose of this part is to enable the Secretary—

(A) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 1085 of this title),

(B) to provide a Federal program of student loan insurance for students or lenders who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 1078(b) of this title,

(C) to pay a portion of the interest on loans to qualified students which are insured under this part, and

(D) to guarantee a portion of each loan insured under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 1078(a)(1)(B) of this title.

**(2) Discrimination by creditors prohibited**

No agency, organization, institution, bank, credit union, corporation, or other lender who regularly extends, renews, or continues credit or provides insurance under this part shall exclude from receipt or deny the benefits of, or discriminate against any borrower or applicant in obtaining, such credit or insurance on the basis of race, national origin, religion, sex, marital status, age, or handicapped status.

**(b) Authorization of appropriations**

For the purpose of carrying out this part—

(1) there are authorized to be appropriated to the student loan insurance fund (established by section 1081 of this title) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

(2) there are authorized to be appropriated, for payments under section 1078 of this title with respect to interest on student loans and for payments under section 1087 of this title, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor,

(3) there is authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 1072 of this title for the reserve funds of State and nonprofit private student loan insurance programs,

(4) there are authorized to be appropriated (A) the sum of \$12,500,000 for making advances after June 30, 1968, pursuant to sections 1072(a) and (b) of this title, and (B) such sums as may be necessary for making advances pursuant to section 1072(c) of this title, for the reserve funds of State and nonprofit private student loan insurance programs,

(5) there are authorized to be appropriated such sums as may be necessary for the purpose of paying a loan processing and issuance fee in accordance with section 1078(f) of this title to guaranty agencies, and

(6) there is authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the purpose of carrying out section 1072(c)(7) of this title.

Sums appropriated under paragraphs (1), (2), (4), and (5) of this subsection shall remain available until expended, except that no sums may be expended after June 30, 2010, with respect to loans under this part for which the first disbursement is after such date. No additional sums are authorized to be appropriated under paragraph (3) or (4) of this subsection by reason of the reenactment of such paragraphs by the Higher Education Amendments of 1986.

#### (c) Designation

The program established under this part shall be referred to as the “Robert T. Stafford Federal Student Loan Program”. Loans made pursuant to sections 1077 and 1078 of this title shall be known as “Federal Stafford Loans”.

#### (d) Termination of authority to make or insure new loans

Notwithstanding paragraphs (1) through (6) of subsection (b) or any other provision of law—

(1) no new loans (including consolidation loans) may be made or insured under this part after June 30, 2010; and

(2) no funds are authorized to be appropriated, or may be expended, under this chapter or any other Act to make or insure loans under this part (including consolidation loans) for which the first disbursement is after June 30, 2010,

except as expressly authorized by an Act of Congress enacted after March 30, 2010.

(Pub. L. 89-329, title IV, § 421, as added Pub. L. 99-498, title IV, § 402(a), Oct. 17, 1986, 100 Stat.

1353; amended Pub. L. 100-297, title II, § 2601(a), Apr. 28, 1988, 102 Stat. 330; Pub. L. 100-369, § 8, July 18, 1988, 102 Stat. 837; Pub. L. 102-325, title IV, § 411(a)(2), (c), July 23, 1992, 106 Stat. 510, 511; Pub. L. 105-244, title IV, § 411, Oct. 7, 1998, 112 Stat. 1673; Pub. L. 109-171, title VIII, § 8004(a), Feb. 8, 2006, 120 Stat. 158; Pub. L. 110-227, § 6(a), May 7, 2008, 122 Stat. 746; Pub. L. 111-152, title II, § 2201, Mar. 30, 2010, 124 Stat. 1074.)

#### REFERENCES IN TEXT

The Higher Education Amendments of 1986, referred to in subsec. (b), is Pub. L. 99-498, Oct. 17, 1986, 100 Stat. 1268. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of this title and Tables.

#### CODIFICATION

Another section 411 of Pub. L. 105-244 enacted subpart 8 (§ 1070f et seq.) of part A of this subchapter.

#### PRIOR PROVISIONS

A prior section 1071, Pub. L. 89-329, title IV, § 421, Nov. 8, 1965, 79 Stat. 1236; Pub. L. 90-460, §§ 2(b)(3), 3(a), Aug. 3, 1968, 82 Stat. 635, 636; Pub. L. 90-575, title I, §§ 113(b)(1), 114(a), 119(b), Oct. 16, 1968, 82 Stat. 1021, 1027; Pub. L. 94-482, title I, § 127(a), Oct. 12, 1976, 90 Stat. 2099; Pub. L. 95-43, § 1(a)(8)-(10), June 15, 1977, 91 Stat. 213; Pub. L. 96-374, title XIII, § 1391(a)(1), (2), Oct. 3, 1980, 94 Stat. 1503; Pub. L. 98-79, § 6, Aug. 15, 1983, 97 Stat. 482, related to statement of purpose of, appropriations for, and implementation of programs to provide low-interest insured loans to students in institutions of higher education, prior to the general revision of this part by Pub. L. 99-498.

#### AMENDMENTS

2010—Subsec. (b). Pub. L. 111-152, § 2201(1), inserted “, except that no sums may be expended after June 30, 2010, with respect to loans under this part for which the first disbursement is after such date” after “expended” in concluding provisions.

Subsec. (d). Pub. L. 111-152, § 2201(2), added subsec. (d).

2008—Subsec. (b)(6). Pub. L. 110-227 added par. (6).

2006—Subsec. (b)(5). Pub. L. 109-171 substituted “a loan processing and issuance fee” for “an administrative cost allowance”.

1998—Subsec. (d). Pub. L. 105-244 struck out heading and text of subsec. (d). Text read as follows: “Notwithstanding any other provision of this part, no new loan guarantees shall be issued after June 30, 1994, if the Secretary does not issue final regulations implementing the changes made to this part under the Higher Education Amendments of 1992 prior to that date. The authority to issue new loan guarantees shall resume upon the Secretary’s issuance of such regulations. This subsection shall not provide the basis for avoiding any requirements for notice and public hearing on such regulations.”

1992—Subsec. (c). Pub. L. 102-325, § 411(a)(2), added subsec. (c) and struck out former subsec. (c) which read as follows: “The program established under this part shall be referred to as the ‘Robert T. Stafford Student Loan Program’. Loans made under this part shall be known as ‘Stafford Loans’.”

Subsec. (d). Pub. L. 102-325, § 411(c), added subsec. (d).

1988—Subsec. (c). Pub. L. 100-369 substituted “shall be referred” for “may be referred” and inserted provision identifying loans made under this part as “Stafford Loans”.

Pub. L. 100-297 added subsec. (c).

#### EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-227, § 6(b), May 7, 2008, 122 Stat. 746, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on the date of enactment of this Act [May 7, 2008].”

## 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.

## EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-325 effective July 23, 1992, with changes in the designation or names of loans or programs under this part effective with respect to applications or other documents (used in making such loans) that are printed after July 23, 1992, see section 432 of Pub. L. 102-325, set out as a note under section 1078 of this title.

## EFFECTIVE DATE OF 1988 AMENDMENT

Pub. L. 100-297, title VI, §6303, Apr. 28, 1988, 102 Stat. 431, as amended by Pub. L. 100-351, June 27, 1988, 102 Stat. 661; Pub. L. 106-400, §2, Oct. 30, 2000, 114 Stat. 1675, provided that:

“(a) GENERAL RULE.—Except as otherwise provided, this Act and the amendments made by this Act [see Tables for classification] shall take effect July 1, 1988.

“(b) SPECIAL RULES.—(1) Any provision of this Act or any amendment made by this Act which authorizes appropriations for fiscal year 1988 shall take effect on the date of the enactment of this Act [Apr. 28, 1988].

“(2) The provisions of section 2402, relating to the National Center for Vocational Research, shall take effect on April 10, 1988.

“(3) The amendments made by section 3403 [amending sections 1221e and 1221e-1 of this title] shall take effect for assessments made after September 30, 1989, with respect to State data.

“(4) Allotments to States made under chapters 1 and 2 of title I of the Elementary and Secondary Education Act of 1965 [formerly 20 U.S.C. 2701 et seq., 2911 et seq.] and under the Adult Education Act [formerly 20 U.S.C. 1201 et seq.] from amounts appropriated by the joint resolution entitled ‘Joint resolution making further continuing appropriations for the fiscal year 1988, and for other purposes’, approved December 22, 1987 (Public Law 100-202), shall be computed in accordance with the provisions of law applicable to allotments to States under chapters 1 and 2 of the Education Consolidation and Improvement Act of 1981 [formerly 20 U.S.C. 3801 et seq., 3811 et seq.] and under the Adult Education Act, respectively, as such Acts were in effect on the day before the date of the enactment of this Act [Apr. 28, 1988].

“(5) Amounts appropriated by the joint resolution entitled ‘Joint resolution making further continuing appropriations for the fiscal year 1988, and for other purposes’, approved December 22, 1987 (Public Law 100-202), for the following programs shall be awarded in accordance with the applicable provisions of law in effect on the day before the date of the enactment of this Act [Apr. 28, 1988]:

“(A) Programs under subchapter D of chapter 2 of the Education Consolidation and Improvement Act of 1981 [formerly 20 U.S.C. 3851 et seq.], except that projects under section 583(c) [formerly 20 U.S.C. 3851(c)] may not be reviewed by a program significance panel.

“(B) National programs under the Adult Education Act [formerly 20 U.S.C. 1201 et seq.].

“(C) Programs under the Indian Education Act [Pub. L. 92-318, title IV, see Tables for classification].

“(D) Programs under title II of the Education for Economic Security Act [formerly 20 U.S.C. 3961 et seq.].

“(E) The program under section 702 of the McKinney-Vento Homeless Assistance Act [formerly 42 U.S.C. 11421].

“(6) The provisions of part A of title II of this Act [§§2001 to 2034 of Pub. L. 100-297, amending sections 236 et seq. and 631 et seq. of this title], excluding sections 2014(e) and 2018 [amending section 238 of this title and enacting provisions set out as a note under section 238

of this title], shall apply only with respect to amounts appropriated for fiscal years beginning after September 30, 1988.

“(7) The amendments made by section 6001 [amending section 11421 of Title 42, The Public Health and Welfare], relating to literacy training of homeless adults, shall take effect on October 1, 1988.

“(8) Any election under section 5209(b)(1) [25 U.S.C. 2508(b)(1)] conveyed to the Secretary prior to August 1, 1988, shall take effect for the fiscal year beginning on October 1, 1988, and thereafter.”

## EFFECTIVE DATE

Pub. L. 99-498, title IV, §402(b)-(d), Oct. 17, 1986, 100 Stat. 1428, 1429, as amended by Pub. L. 100-50, §22(b), June 3, 1987, 101 Stat. 361, provided that:

“(b) EFFECTIVE DATES.—The changes made in part B of title IV of the Act [20 U.S.C. 1071 et seq.] by the amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act [Oct. 17, 1986], except—

“(1) as otherwise provided in such part B;

“(2) the changes in sections 427(a)(2)(C) and 428(b)(1)(M) of the Act [20 U.S.C. 1077(a)(2)(C), 1078(b)(1)(M)] (other than clauses (viii), (ix), and (x) of each such section) shall apply only to loans to new borrowers that (A) are made to cover the cost of instruction for periods of enrollment beginning on or after July 1, 1987; or (B) are disbursed on or after July 1, 1987;

“(3) the changes made in sections 425(a), 428(b)(1)(A), and 428(b)(1)(B) of the Act [20 U.S.C. 1075(a), 1078(b)(1)(A), (B)] shall apply with respect only to loans disbursed on or after January 1, 1987, or made to cover the costs of instruction for periods of enrollment beginning on or after January 1, 1987;

“(4) the changes made in subsections (a), (b), and (d) of section 433 of the Act [20 U.S.C. 1083(a), (b), (d)] shall apply with respect only to loans disbursed on or after January 1, 1987, or made to cover the costs of instruction for periods of enrollment beginning on or after January 1, 1987;

“(5) the changes in section 428(b)(1)(H) [20 U.S.C. 1078(b)(1)(H)] shall apply with respect only to loans for which the borrower files an application on or after July 1, 1987;

“(6) the changes in sections 435(d)(5) and 438(d) of the Act [20 U.S.C. 1085(d)(5), 1087-1(d)] shall take effect 30 days after the date of enactment of this Act [Oct. 17, 1986]; and

“(7) the changes made in section 438(b) [20 U.S.C. 1087-1(b)] shall take effect with respect to loans disbursed on or after 30 days after the date of enactment of this Act [Oct. 17, 1986] or made to cover the costs of instruction for periods of enrollment beginning on or after 30 days after the date of enactment of this Act.

“(c) CHANGES EFFECTIVE WITHOUT REGARD TO REGULATIONS; REPUBLICATION OF REGULATIONS.—The changes made in part B of title IV of the Act [20 U.S.C. 1071 et seq.] by the amendment made by subsection (a) of this section shall be effective in accordance with subsection (b) of this section without regard to whether such changes are reflected in the regulations prescribed by the Secretary of Education for the purpose of such part.

“(d) NEW BORROWERS.—For the purpose of this section, 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, insured, or guaranteed under part B of title IV of the Act [20 U.S.C. 1071 et seq.]”

## STUDY OF ROLE OF GUARANTY AGENCIES

Pub. L. 102-325, title XIV, §1401, July 23, 1992, 106 Stat. 816, directed Secretary of Education to review role of guaranty agencies within Federal Family Education Loan Program by examining administrative and financial operations of such agencies and the relation-

ships between guaranty agencies and State governments and report to Congress within 1 year of July 23, 1992, on the review, prior to repeal by Pub. L. 105-332, §6(b)(2), Oct. 31, 1998, 112 Stat. 3128.

GENERAL ACCOUNTING OFFICE REPORTS

Pub. L. 99-498, title XIII, §§1311-1314, Oct. 17, 1986, 100 Stat. 1583, 1584, as amended by Pub. L. 100-50, §23(6), June 3, 1987, 101 Stat. 362, directed Comptroller General to conduct studies on practices of State guaranty agencies and multistate guarantors under the student loan program, on the feasibility and efficiency of permitting students to establish multiple year lines of credit with eligible lenders, on the impact of the multiple disbursement system on the ability of students and institutions of higher education to meet expenses, and on the cost, efficiency, and impact of the consolidation loan program established by Pub. L. 99-498, and directed Comptroller General to make and submit a report to Congress on each study not later than two years after Oct. 17, 1986, prior to repeal by Pub. L. 105-332, §6(a), Oct. 31, 1998, 112 Stat. 3127.

**§ 1072. Advances for reserve funds of State and nonprofit private loan insurance programs**

**(a) Purpose of and authority for advances to reserve funds**

**(1) Purpose; eligible recipients**

From sums appropriated pursuant to paragraphs (3) and (4)(A) of section 1071(b) of this title, the Secretary is authorized to make advances to any State with which the Secretary has made an agreement pursuant to section 1078(b) of this title for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any fiscal year a State does not have a student loan insurance program covered by an agreement made pursuant to section 1078(b) of this title, and the Secretary determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Secretary may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which the Secretary has made an agreement pursuant to section 1078(b) of this title in order to enable students in the State to participate in a program of student loan insurance covered by such an agreement. The Secretary may make advances under this subsection both to a State program (with which he has such an agreement) and to one or more nonprofit private institutions or organizations (with which he has such an agreement) in that State if he determines that such advances are necessary in order that students in each eligible institution have access through such institution to a student loan insurance program which meets the requirements of section 1078(b)(1) of this title.

**(2) Matching requirement**

No advance shall be made after June 30, 1968, unless matched by an equal amount from non-Federal sources. Such equal amount may include the unencumbered non-Federal portion of a reserve fund. As used in the preceding sentence, the term "unencumbered non-Federal portion" means the amount (determined as of the time immediately preceding the making of

the advance) of the reserve fund less the greater of—

(A) the sum of—

(i) advances made under this section prior to July 1, 1968;

(ii) an amount equal to twice the amount of advances made under this section after June 30, 1968, and before the advance for purposes of which the determination is made; and

(iii) the proceeds of earnings on advances made under this section; or

(B) any amount which is required to be maintained in such fund pursuant to State law or regulation, or by agreement with lenders, as a reserve against the insurance of outstanding loans.

Except as provided in section 1078(c)(9)(E) or (F) of this title, such unencumbered non-Federal portion shall not be subject to recall, repayment, or recovery by the Secretary.

**(3) Terms and conditions; repayment**

Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 1078(b) of this title as the Secretary determines will best carry out the purpose of this section. Advances made by the Secretary under this subsection shall be repaid within such period as the Secretary may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

**(b) Limitations on total advances**

**(1) In general**

The total of the advances from the sums appropriated pursuant to paragraph (4)(A) of section 1071(b) of this title to nonprofit private institutions and organizations for the benefit of students in any State and to such State may not exceed an amount which bears the same ratio to such sums as the population of such State aged 18 to 22, inclusive, bears to the population of all the States aged 18 to 22 inclusive, but such advances may otherwise be in such amounts as the Secretary determines will best achieve the purposes for which they are made. The amount available for advances to any State shall not be less than \$25,000 and any additional funds needed to meet this requirement shall be derived by proportionately reducing (but not below \$25,000) the amount available for advances to each of the remaining States.

**(2) Calculation of population**

For the purpose of this subsection, the population aged 18 to 22, inclusive, of each State and of all the States shall be determined by the Secretary on the basis of the most recent satisfactory data available to him.

**(c) Advances for insurance obligations**

**(1) Use for payment of insurance obligations**

From sums appropriated pursuant to section 1071(b)(4)(B) of this title, the Secretary shall advance to each State which has an agreement with the Secretary under section 1078(c) of this