

2008—Subsec. (a)(1). Pub. L. 110-315, §494D(a)(1), inserted “State student grant agencies,” after “institutions of higher education.”.

Subsec. (a)(2). Pub. L. 110-315, §494D(a)(2), struck out “, as amended by the Higher Education Amendments of 1998” before “through such mechanisms”.

Subsec. (b)(1). Pub. L. 110-315, §494D(b), struck out “as amended by the Higher Education Amendments of 1998” before “and shall submit”, substituted “The Secretary” for “To the extent possible, the Secretary”, and inserted “with demonstrated expertise or experience in the relevant subjects under negotiation,” after “select individuals”.

1998—Subsec. (a)(1). Pub. L. 105-244, §490D(a)(1)(C), substituted “The Secretary shall obtain the advice of and recommendations from” for “Such meetings shall include”.

Pub. L. 105-244, §490D(a)(1)(B), which directed the substitution of “this subchapter,” for “parts B, G, and H of this subchapter,” could not be executed because “parts B, G, and H of this subchapter,” does not appear in text.

Pub. L. 105-244, §490D(a)(1)(A), struck out “convene regional meetings to” before “obtain public involvement”.

Subsec. (a)(2). Pub. L. 105-244, §490D(a)(2)(B)–(D), substituted “this subchapter” for “parts B, G, and H”, “1998 through such mechanisms as regional meetings and electronic exchanges of information” for “1992”, and “through such mechanisms in” for “at such meetings in”.

Pub. L. 105-244, §490D(a)(2)(A), which directed substitution of “The” for “During such meetings the”, was executed by making the substitution for “During such meetings, the” before “Secretary shall provide”, to reflect the probable intent of Congress.

Subsec. (b). Pub. L. 105-244, §490D(b), designated existing provisions as par. (1), inserted par. (1) heading, substituted “obtaining the advice and recommendations described in subsection (a)(1)” for “holding regional meetings”, “this subchapter” for “parts B, G, and H of this subchapter”, “1998” for “1992”, “360-day” for “240-day”, and “section 1232(e)” for “section 1232(g)”, struck out “The Secretary shall follow the guidance provided in sections 305.82-4 and 305.85-5 of chapter 1, Code of Federal Regulations, and any successor recommendation, regulation, or law.” after “rule-making process.” and “participating in the regional meetings” after “nominated by groups”, and added par. (2).

#### 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.

#### INAPPLICABILITY OF MASTER CALENDAR AND NEGOTIATED RULEMAKING REQUIREMENTS

This section inapplicable to amendment made by section 100302(a) of Pub. L. 112-141 or to any regulations promulgated under such amendment, see section 100302(b) of Pub. L. 112-141, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by section 309 of Pub. L. 112-74 or to any regulations promulgated under such amendments, see section 309(h) of Pub. L. 112-74, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by title V of Pub. L. 112-25 or to any regulations promulgated under such amendments, see section 504 of Pub. L. 112-25, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by section 1860(a)(2) of Pub. L. 112-10 or to any regulations promulgated under such amendments, see section 1860(c) of Pub. L. 112-10, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by title IV of Pub. L. 111-39 or to any regulations promulgated under such amendments, see section 409 of Pub. L. 111-39, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by section 402(a) of Pub. L. 110-315 or to any regulations promulgated under such amendments, see section 402(b) of Pub. L. 110-315, set out as a note under section 1089 of this title.

This section inapplicable to amendments made by Pub. L. 110-227 or to any regulations promulgated under such amendments, see section 11 of Pub. L. 110-227, set out as a note under section 1089 of this title.

#### § 1098b. Authorization of appropriations for administrative expenses

There are authorized to be appropriated such sums as may be necessary for fiscal year 1993 and for each succeeding fiscal year thereafter for administrative expenses necessary for carrying out this subchapter, including expenses for staff personnel, program reviews, and compliance activities.

(Pub. L. 89-329, title IV, §493, as added Pub. L. 102-325, title IV, §497, July 23, 1992, 106 Stat. 634.)

#### § 1098c. Repealed. Pub. L. 110-315, title IV, § 494E, Aug. 14, 2008, 122 Stat. 3324

Section, Pub. L. 89-329, title IV, §493A, as added Pub. L. 105-244, title IV, §490E, Oct. 7, 1998, 112 Stat. 1756, related to Year 2000 requirements at the Department of Education.

#### § 1098d. Procedures for cancellations and deferments for eligible disabled veterans

The Secretary, in consultation with the Secretary of Veterans Affairs, shall develop and implement a procedure to permit Department of Veterans Affairs physicians to provide the certifications and affidavits needed to enable disabled veterans enrolled in the Department of Veterans Affairs health care system to document such veterans' eligibility for deferments or cancellations of student loans made, insured, or guaranteed under this subchapter. Not later than 6 months after October 7, 1998, the Secretary and the Secretary of Veterans Affairs jointly shall report to Congress on the progress made in developing and implementing the procedure.

(Pub. L. 89-329, title IV, §493B, as added Pub. L. 105-244, title IV, §490F, Oct. 7, 1998, 112 Stat. 1758.)

#### EFFECTIVE DATE

Section effective Oct. 1, 1998, except as otherwise provided in Pub. L. 105-244, see section 3 of Pub. L. 105-244, set out as an Effective Date of 1998 Amendment note under section 1001 of this title.

#### § 1098e. Income-based repayment

##### (a) Definitions

In this section:

##### (1) Excepted PLUS loan

The term “excepted PLUS loan” means a loan under section 1078-2 of this title, or a

Federal Direct PLUS Loan, that is made, insured, or guaranteed on behalf of a dependent student.

**(2) Excepted consolidation loan**

The term “excepted consolidation loan” means a consolidation loan under section 1078-3 of this title, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on an excepted PLUS loan.

**(3) Partial financial hardship**

The term “partial financial hardship”, when used with respect to a borrower, means that for such borrower—

(A) the annual amount due on the total amount of loans made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan) to a borrower as calculated under the standard repayment plan under section 1078(b)(9)(A)(i) or 1087e(d)(1)(A) of this title, based on a 10-year repayment period; exceeds

(B) 15 percent of the result obtained by calculating, on at least an annual basis, the amount by which—

(i) the borrower’s, and the borrower’s spouse’s (if applicable), adjusted gross income; exceeds

(ii) 150 percent of the poverty line applicable to the borrower’s family size as determined under section 9902(2) of title 42.

**(b) Income-based repayment program authorized**

Notwithstanding any other provision of this chapter, the Secretary shall carry out a program under which—

(1) a borrower of any loan made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan) who has a partial financial hardship (whether or not the borrower’s loan has been submitted to a guaranty agency for default aversion or had been in default) may elect, during any period the borrower has the partial financial hardship, to have the borrower’s aggregate monthly payment for all such loans not exceed the result described in subsection (a)(3)(B) divided by 12;

(2) the holder of such a loan shall apply the borrower’s monthly payment under this subsection first toward interest due on the loan, next toward any fees due on the loan, and then toward the principal of the loan;

(3) any interest due and not paid under paragraph (2)—

(A) shall, on subsidized loans, be paid by the Secretary for a period of not more than 3 years after the date of the borrower’s election under paragraph (1), except that such period shall not include any period during which the borrower is in deferment due to an economic hardship described in section 1085(o) of this title; and

(B) be capitalized—

(i) in the case of a subsidized loan, subject to subparagraph (A), at the time the borrower—

(I) ends the election to make income-based repayment under this subsection; or

(II) begins making payments of not less than the amount specified in paragraph (6)(A); or

(ii) in the case of an unsubsidized loan, at the time the borrower—

(I) ends the election to make income-based repayment under this subsection; or

(II) begins making payments of not less than the amount specified in paragraph (6)(A);

(4) any principal due and not paid under paragraph (2) shall be deferred;

(5) the amount of time the borrower makes monthly payments under paragraph (1) may exceed 10 years;

(6) if the borrower no longer has a partial financial hardship or no longer wishes to continue the election under this subsection, then—

(A) the maximum monthly payment required to be paid for all loans made to the borrower under part B or D (other than an excepted PLUS loan or excepted consolidation loan) shall not exceed the monthly amount calculated under section 1078(b)(9)(A)(i) or 1087e(d)(1)(A) of this title, based on a 10-year repayment period, when the borrower first made the election described in this subsection; and

(B) the amount of time the borrower is permitted to repay such loans may exceed 10 years;

(7) the Secretary shall repay or cancel any outstanding balance of principal and interest due on all loans made under part B or D (other than a loan under section 1078-2 of this title or a Federal Direct PLUS Loan) to a borrower who—

(A) at any time, elected to participate in income-based repayment under paragraph (1); and

(B) for a period of time prescribed by the Secretary, not to exceed 25 years, meets 1 or more of the following requirements—

(i) has made reduced monthly payments under paragraph (1) or paragraph (6);

(ii) has made monthly payments of not less than the monthly amount calculated under section 1078(b)(9)(A)(i) or 1087e(d)(1)(A) of this title, based on a 10-year repayment period, when the borrower first made the election described in this subsection;

(iii) has made payments of not less than the payments required under a standard repayment plan under section 1078(b)(9)(A)(i) or 1087e(d)(1)(A) of this title with a repayment period of 10 years;

(iv) has made payments under an income-contingent repayment plan under section 1087e(d)(1)(D) of this title; or

(v) has been in deferment due to an economic hardship described in section 1085(o) of this title;

(8) a borrower who is repaying a loan made under part B or D pursuant to income-based repayment may elect, at any time, to terminate repayment pursuant to income-based re-

payment and repay such loan under the standard repayment plan; and

(9) the special allowance payment to a lender calculated under section 1087-1(b)(2)(I) of this title, when calculated for a loan in repayment under this section, shall be calculated on the principal balance of the loan and on any accrued interest unpaid by the borrower in accordance with this section.

**(c) Eligibility determinations**

The Secretary shall establish procedures for annually determining the borrower's eligibility for income-based repayment, including verification of a borrower's annual income and the annual amount due on the total amount of loans made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan), and such other procedures as are necessary to effectively implement income-based repayment under this section. The Secretary shall consider, but is not limited to, the procedures established in accordance with section 1087e(e)(1) of this title or in connection with income sensitive repayment schedules under section 1078(b)(9)(A)(iii) or 1078-3(b)(1)(E) of this title.

**(d) Special rule for married borrowers filing separately**

In the case of a married borrower who files a separate Federal income tax return, the Secretary shall calculate the amount of the borrower's income-based repayment under this section solely on the basis of the borrower's student loan debt and adjusted gross income.

**(e) Special terms for new borrowers on and after July 1, 2014**

With respect to any loan made to a new borrower on or after July 1, 2014—

- (1) subsection (a)(3)(B) shall be applied by substituting “10 percent” for “15 percent”; and
- (2) subsection (b)(7)(B) shall be applied by substituting “20 years” for “25 years”.

(Pub. L. 89-329, title IV, § 493C, as added Pub. L. 110-84, title II, § 203(a), Sept. 27, 2007, 121 Stat. 792; amended Pub. L. 110-153, § 2, Dec. 21, 2007, 121 Stat. 1824; Pub. L. 110-315, title IV, § 494F, Aug. 14, 2008, 122 Stat. 3324; Pub. L. 111-152, title II, § 2213, Mar. 30, 2010, 124 Stat. 1081.)

AMENDMENTS

- 2010—Subsec. (e). Pub. L. 111-152 added subsec. (e).
- 2008—Subsec. (b)(1). Pub. L. 110-315 substituted “or had been in default” for “or is already in default”.
- 2007—Subsec. (d). Pub. L. 110-153 added subsec. (d).

EFFECTIVE DATE

Section effective July 1, 2009, see section 203(c)(1) of Pub. L. 110-84, set out as an Effective Date of 2007 Amendment note under section 1078-3 of this title.

**§ 1098f. Deferral of loan repayment following active duty**

**(a) Deferral of loan repayment following active duty**

In addition to any deferral of repayment of a loan made under this subchapter pursuant to section 1078(b)(1)(M)(iii), 1087e(f)(2)(C), or 1087dd(c)(2)(A)(iii) of this title, a borrower of a loan under this subchapter who is a member of

the National Guard or other reserve component of the Armed Forces of the United States, or a member of such Armed Forces in a retired status, is called or ordered to active duty, and is enrolled, or was enrolled within six months prior to the activation, in a program of instruction at an eligible institution, shall be eligible for a deferment during the 13 months following the conclusion of such service, except that a deferment under this subsection shall expire upon the borrower's return to enrolled student status.

**(b) Active duty**

Notwithstanding section 1088(d) of this title, in this section, the term “active duty” has the meaning given such term in section 101(d)(1) of title 10, except that such term—

- (1) does not include active duty for training or attendance at a service school; but
- (2) includes, in the case of members of the National Guard, active State duty.

(Pub. L. 89-329, title IV, § 493D, as added Pub. L. 110-84, title II, § 204, Sept. 27, 2007, 121 Stat. 795.)

EFFECTIVE DATE

Section effective Oct. 1, 2007, see section 1(c) of Pub. L. 110-84, set out as an Effective Date of 2007 Amendment note under section 1070a of this title.

**§ 1098g. Exemption from State disclosure requirements**

Loans made, insured, or guaranteed pursuant to a program authorized by title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) shall not be subject to any disclosure requirements of any State law.

(Pub. L. 97-320, title VII, § 701(b), Oct. 15, 1982, 96 Stat. 1538.)

REFERENCES IN TEXT

The Higher Education Act of 1965, referred to in text, is Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219. Title IV of the Act is classified generally to this subchapter. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of this title and Tables.

CODIFICATION

Section was formerly classified to section 1099 of this title.

Section was enacted as part of the Garn-St Germain Depository Institutions Act of 1982, and not as part of title IV of the Higher Education Act of 1965 which comprises this subchapter.

EFFECTIVE DATE

Section effective both with respect to loans made prior to and after Oct. 15, 1982, see section 701(c) of Pub. L. 97-320, set out as an Effective Date of 1982 Amendment note under section 1603 of Title 15, Commerce and Trade.

PART G-1—HIGHER EDUCATION RELIEF OPPORTUNITIES FOR STUDENTS

CODIFICATION

This part, comprised of Pub. L. 108-76, was formerly classified to part F-1 of this subchapter and was redesignated as part G-1 to correspond with the redesignation of part F as G. Prior to that, Pub. L. 108-76 was set out as a note under section 1070 of this title.