

at such rate with each of the first, second and third complete years of such service and 20 per centum of such amount with each complete fourth and fifth year of service for the rate of 10 per centum of the amount unpaid on the first day of service and to continue with each complete year of service, and struck out reference to 15 per centum rate of cancellation per complete year of service plus, for the purpose of such higher rate, the cancellation of an additional 50 per centum of such loan where such service is in a public or nonprofit hospital in any area which is determined, in accordance with the regulations of the Secretary, to be in an area having a substantial shortage of such nurses at such hospitals.

Subsec. (h). Pub. L. 92-158, §6(b)(1)(B), added subsec. (h).

1968—Subsec. (a). Pub. L. 90-490, §222(b)(1), increased limitation on amount of annual loans per student from \$1,000 to \$1,500, required preferences in granting of loans to licensed practical nurses, and limited aggregate of loans for all years to any one student to \$6,000.

Subsec. (b)(2). Pub. L. 90-490, §222(b)(2), provided for commencement of repayment nine months, rather than one year, after student ceases to pursue full-time course of study, excluded from ten-year repayment period periods (up to three years) of active duty as member of a uniformed service or Peace Corps volunteer service and periods (up to five years) as undergraduate or graduate degree student in nursing, including advanced professional training in nursing, and struck out prohibition against accrual of interest on loans.

Subsec. (b)(3). Pub. L. 90-490, §222(b)(3), authorized cancellation of an additional 50 per centum of a nursing student loan (plus interest) at rate of 15 per centum for each complete year of service in a public or other nonprofit hospital in an area with a substantial shortage of nurses.

Subsec. (b)(5). Pub. L. 90-490, §222(b)(4), struck out provisions for an interest rate which is the greater of 3 per centum or the going Federal rate at time loan is made, defining going Federal rate, and making rate determined for first loan applicable to any subsequent loan.

Subsecs. (f), (g). Pub. L. 90-490, §222(c)(1), added subsecs. (f) and (g).

1965—Subsec. (b)(5). Pub. L. 89-290 applied rate of interest for first loan obtained by a student from a loan fund established under this part to any subsequent loan to such student from such fund during his course of study.

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-392, title I, §133(c)(2), Nov. 13, 1998, 112 Stat. 3576, provided that: "The amendment made by paragraph (1) [amending this section] shall be effective with respect to actions pending on or after the date of enactment of this Act [Nov. 13, 1998]."

EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-92 effective Oct. 1, 1985, see section 10(a) of Pub. L. 99-92, set out as a note under section 297a of this title.

EFFECTIVE DATE OF 1975 AMENDMENT

Pub. L. 94-63, title IX, §936(b), July 29, 1975, 89 Stat. 363, provided that the amendment made by that section is effective with respect to periods of training to be a nurse anesthetist undertaken on or after July 29, 1975.

Amendment by section 941(h)(1), (2), (5), (i)(1) of Pub. L. 94-63 effective July 1, 1975, see section 942 of Pub. L. 94-63, set out as a note under section 297a of this title.

EFFECTIVE DATE OF 1971 AMENDMENT

Pub. L. 92-158, §6(a)(1), Nov. 18, 1971, 85 Stat. 475, provided that the amendment made by that section is effective with respect to academic years (or their equivalent as determined under regulations of the Secretary of Health, Education, and Welfare under this section) beginning after June 30, 1971.

EFFECTIVE DATE OF 1968 AMENDMENT

Pub. L. 90-490, title II, §222(i), Aug. 16, 1968, 82 Stat. 785, provided that: "The amendments made by subsection (b)(1) and (2) [amending this section] shall apply with respect to all loans made after June 30, 1969, and with respect to loans made from a student loan fund established under an agreement pursuant to section 822 [now 835] [42 U.S.C. 297a], before July 1, 1969, to the extent agreed to by the school which made the loans and the Secretary (but then only for years beginning after June 30, 1968). The amendments made by subsection (b)(4) [amending this section] and subsection (c) [amending this section and section 297a of this title] shall apply with respect to loans made after June 30, 1969. The amendment made by subsection (h) [enacting section 297h of this title] shall apply with respect to appropriations for fiscal years beginning after June 30, 1969. The amendment made by subsection (b)(3) [amending this section] shall apply with respect to service, specified in section 823(b)(3) [now 836(b)(3)] of such Act [42 U.S.C. 297b(b)(3)] performed during academic years beginning after the enactment of this Act, whether the loan was made before or after such enactment [Aug. 16, 1968]."

CONSTRUCTION OF 1992 AMENDMENT

Pub. L. 102-408, title II, §211(b), Oct. 13, 1992, 106 Stat. 2079, provided that: "With respect to section 836(h) of the Public Health Service Act [former 42 U.S.C. 297b(h)], as in effect prior to the date of the enactment of this Act [Oct. 13, 1992], any agreement entered into under such section that is in effect on the day before such date remains in effect in accordance with the terms of the agreement, notwithstanding the amendment made by subsection (a) of this section [enacting section 297n of this title, amending this section, and repealing section 297c-1 of this title]."

§ 297c. Repealed. Pub. L. 105-392, title I, § 123(3), Nov. 13, 1998, 112 Stat. 3562

Section, act July 1, 1944, ch. 373, title VIII, §837, formerly §824, as added Pub. L. 88-581, §2, Sept. 4, 1964, 78 Stat. 915; amended Pub. L. 89-751, §6(b), Nov. 3, 1966, 80 Stat. 1235; Pub. L. 90-490, title II, §222(d), Aug. 16, 1968, 82 Stat. 784; Pub. L. 92-52, §3(a), July 9, 1971, 85 Stat. 144; Pub. L. 92-158, §6(c), Nov. 18, 1971, 85 Stat. 477; Pub. L. 93-385, §3(a), Aug. 23, 1974, 88 Stat. 741; renumbered §837 and amended Pub. L. 94-63, title IX, §936(c), 941(i)(1), (3), July 29, 1975, 89 Stat. 363, 365, 366; Pub. L. 96-76, title I, §109(b), Sept. 29, 1979, 93 Stat. 580; Pub. L. 97-35, title XXVII, §2757(c), Aug. 13, 1981, 95 Stat. 931, authorized appropriations for student loan funds for certain fiscal years.

§ 297c-1. Repealed. Pub. L. 102-408, title II, § 211(a)(2), Oct. 13, 1992, 106 Stat. 2078

Section, act July 1, 1944, ch. 373, title VIII, §837A, as added Nov. 4, 1988, Pub. L. 100-607, title VII, §714(d), 102 Stat. 3162, authorized appropriations for educational loan repayments for service in certain health facilities.

§ 297d. Allotments and payments of Federal capital contributions

(a) Application for allotment; reduction or adjustment of amount requested in application; reallocation; continued availability of funds

(1) The Secretary shall from time to time set dates by which schools of nursing must file applications for Federal capital contributions.

(2)(A) If the total of the amounts requested for any fiscal year in such applications exceeds the total amount appropriated under section 297c¹ of this title for that fiscal year, the allotment

¹ See References in Text note below.

from such total amount to the loan fund of each school of nursing shall be reduced to whichever of the following is the smaller:

- (i) The amount requested in its application.
- (ii) An amount which bears the same ratio to the total amount appropriated as the number of students estimated by the Secretary to be enrolled on a full-time basis in such school during such fiscal year bears to the estimated total number of students enrolled in all such schools on a full-time basis during such year.

(B) Amounts remaining after allotment under subparagraph (A) shall be reallocated in accordance with clause (ii) of such subparagraph among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund under this paragraph and paragraph (3) from exceeding the total so requested by it.

(3) Funds which, pursuant to section 297e(c) of this title or pursuant to a loan agreement under section 297a of this title are returned to the Secretary in any fiscal year, shall be available for allotment until expended. Funds described in the preceding sentence shall be allotted among schools of nursing in such manner as the Secretary determines will best carry out this part.

(b) Installment payment of allotments

Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

(c) Manner of payment

The Federal capital contributions to a loan fund of a school under this part shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

(July 1, 1944, ch. 373, title VIII, § 838, formerly § 825, as added Pub. L. 88-581, § 2, Sept. 4, 1964, 78 Stat. 915; amended Pub. L. 89-751, § 6(c), Nov. 3, 1966, 80 Stat. 1235; Pub. L. 90-490, title II, § 222(e), Aug. 16, 1968, 82 Stat. 785; renumbered § 838 and amended Pub. L. 94-63, title IX, § 941(h)(1), (2), (4)(A), (i)(1), (4), July 29, 1975, 89 Stat. 365, 366; Pub. L. 99-92, § 8(e), Aug. 16, 1985, 99 Stat. 398; Pub. L. 100-607, title VII, § 713(h)(1), Nov. 4, 1988, 102 Stat. 3161; Pub. L. 102-408, title II, § 208(a), Oct. 13, 1992, 106 Stat. 2075; Pub. L. 111-148, title V, § 5310(b)(2), Mar. 23, 2010, 124 Stat. 631.)

REFERENCES IN TEXT

Section 297c of this title, referred to in subsec. (a)(2)(A), was repealed by Pub. L. 105-392, title I, § 123(3), Nov. 13, 1998, 112 Stat. 3562.

AMENDMENTS

2010—Subsecs. (a)(3), (c). Pub. L. 111-148 substituted “this part” for “this subpart”.

1992—Subsec. (a)(3). Pub. L. 102-408 struck out “(A)” after “(3)”, substituted “available for allotment until expended.” for “available for allotment in such fiscal year and in the fiscal year succeeding the fiscal year.” and “this subpart.” for “this subpart, except that in making such allotments, the Secretary shall give priority to schools of nursing which established student loan

funds under this subpart after September 30, 1975.”, and struck out subpar. (B) which read as follows: “With respect to funds available pursuant to subparagraph (A), any such funds returned to the Secretary and not allotted by the Secretary, during the period of availability specified in such subparagraph, shall be available to carry out section 297j of this title and, for such purpose, shall remain available until expended.”

1988—Subsec. (a)(3). Pub. L. 100-607 designated existing provisions as subpar. (A) and added subpar. (B).

1985—Subsec. (a). Pub. L. 99-92 amended subsec. (a) generally, substituting provisions relating to application for allotment, reduction or adjustment of amount requested in application, reallocation, and availability of funds for allotment during fiscal years for provisions relating to determination of amount of allotment.

Subsec. (b). Pub. L. 99-92 amended subsec. (b) generally, substituting provisions relating to payment to a loan fund of a school of allotments for provisions relating to application for allotment, adjustment or reduction of amount requested in application, and reallocation.

1975—Subsec. (a). Pub. L. 94-63, § 941(h)(1), (4)(A)(i), (i)(4), substituted “subpart” for “part” wherever appearing, struck out “(whether as Federal capital contributions or as loans to schools under section 297f of this title)” before “which are in excess”, and substituted references to section 847 of the Act for references to section 824, which had previously been translated as section 297c of this title, requiring no further translations in text as a result of renumbering of the Public Health Service Act.

Subsec. (b)(1). Pub. L. 94-63, § 941(h)(4)(A)(ii), struck out “; and for loans pursuant to section 297f of this title.” after “contributions”.

Subsec. (b)(2). Pub. L. 94-63, § 941(h)(2), struck out “of Health, Education, and Welfare” after “Secretary”.

Subsec. (c). Pub. L. 94-63, § 941(h)(1), substituted “subpart” for “part”.

1968—Subsec. (a). Pub. L. 90-490 substituted a new formula for distribution of Federal funds among schools of nursing by providing for allotment of funds among the schools entirely on the basis of their relative enrollments for former provisions which allocated funds among the States, 50 per centum on the basis of relative number of high school graduates, and 50 per centum on the basis of relative number of students enrolled in schools of nursing, and provided for determination of number of persons enrolled in such schools for most recent year for which satisfactory data are available to the Secretary.

1966—Subsec. (a). Pub. L. 89-751, § 6(c)(1), authorized allotment of appropriations for payment as Federal capital contributions or as loans to schools under section 297f of this title, and directed that funds available in any fiscal year for payment to schools under this part (whether as Federal capital contributions or as loans to schools under section 297f of this title) which are in excess of the amount appropriated pursuant to section 297c of this title for that year shall be allotted among States and among schools within States in such manner as the Secretary determines will best carry out the purposes of this part.

Subsec. (b)(1). Pub. L. 89-751, § 6(c)(2), substituted “schools of nursing in a State must file applications for Federal capital contributions, and for loans pursuant to section 297f of this title, from the allotment of such State under the first two sentences of subsection (a) of this section” for “schools of nursing with which he has in effect agreements under this part must file applications for Federal capital contributions to their loan funds pursuant to section 297a(b)(2)(A) of this title”.

EFFECTIVE DATE OF 1988 AMENDMENT

Pub. L. 100-607, title VII, § 713(h)(2), Nov. 4, 1988, 102 Stat. 3161, provided that: “Except as provided in Public Law 100-436 [Sept. 20, 1988, 102 Stat. 1680, see Tables for classification], the amendment made by paragraph (1) [amending this section] shall take effect as if such amendment had been effective on September 30, 1988,

and as if section 843 of the Public Health Service Act [42 U.S.C. 297j], as added by section 715 of this title, had been effective on such date.”

EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-92 effective Oct. 1, 1985, see section 10(a) of Pub. L. 99-92, set out as a note under section 297a of this title.

EFFECTIVE DATE OF 1975 AMENDMENT

Amendment by Pub. L. 94-63 effective July 1, 1975, see section 942 of Pub. L. 94-63, set out as a note under section 297a of this title.

EFFECTIVE DATE OF 1966 AMENDMENT

Pub. L. 89-751, §6(e)(1), Nov. 3, 1966, 80 Stat. 1236, provided that: “The amendments made by this section [amending this section and sections 297c, 297e, and 297f of this title] shall be effective in the case of payments to student loan funds made after the enactment of this Act [Nov. 3, 1966], except in the case of payments pursuant to commitments (made prior to enactment of this Act) to make loans under section 827 of the Public Health Service Act [42 U.S.C. 297f] as in effect prior to the enactment of this Act.”

APPLICABILITY OF REORG. PLAN NO. 3 OF 1966

Pub. L. 89-751, §9, Nov. 3, 1966, 80 Stat. 1240, provided that: “The amendments made by this Act [enacting former sections 295h to 295h-5 and 298c to 298c-3 of this title and amending this section, former sections 292b, 294d, 294n to 294p, 296, and 297c, section 297e, former section 297f, and section 298 of this title, and section 1717 of Title 12, Banks and Banking] shall be subject to the provisions of Reorganization Plan Numbered 3 of 1966 [42 U.S.C. 202 note].”

§ 297e. Distribution of assets from loan funds

(a) Capital distribution of balance of loan fund

If a school terminates a loan fund established under an agreement pursuant to section 297a(b) of this title, or if the Secretary for good cause terminates the agreement with the school, there shall be a capital distribution as follows:

(1) The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund on the date of termination of the fund as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 297a(b)(2)(A) of this title bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 297a(b)(2)(B) of this title.

(2) The remainder of such balance shall be paid to the school.

(b) Payment of principal or interest on loans

If a capital distribution is made under subsection (a), the school involved shall, after such capital distribution, pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school in payment of principal or interest on loans made from the loan fund established under section 297a(b) of this title as determined by the Secretary under subsection (a).

(c) Payment of balance of loan fund

(1) Within 90 days after the termination of any agreement with a school under section 297a of this title or the termination in any other manner of a school's participation in the loan program under this part,¹ such school shall pay to

the Secretary from the balance of the loan fund of such school established under section 297a of this title, an amount which bears the same ratio to the balance in such fund on the date of such termination as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 297a(b)(2)(A) of this title bears to the total amount in such fund on such date derived from such Federal capital contributions and from funds deposited in the fund pursuant to section 297a(b)(2)(B) of this title. The remainder of such balance shall be paid to the school.

(2) A school to which paragraph (1) applies shall pay to the Secretary after the date on which payment is made under such paragraph and not less than quarterly, the same proportionate share of amounts received by the school after the date of termination referred to in paragraph (1) in payment of principal or interest on loans made from the loan fund as was determined for the Secretary under such paragraph.

(July 1, 1944, ch. 373, title VIII, §839, formerly §826, as added Pub. L. 88-581, §2, Sept. 4, 1964, 78 Stat. 916; amended Pub. L. 89-751, §6(d), Nov. 3, 1966, 80 Stat. 1235; Pub. L. 90-490, title II, §222(f), Aug. 16, 1968, 82 Stat. 785; Pub. L. 92-52, §3(b), July 9, 1971, 85 Stat. 145; Pub. L. 92-158, §6(d)(1), Nov. 18, 1971, 85 Stat. 478; renumbered §839 and amended Pub. L. 94-63, title IX, §§936(d), 941(h)(1), (2), (4)(B), (i)(1), (5), July 29, 1975, 89 Stat. 363, 365, 366; Pub. L. 96-32, §7(j), July 10, 1979, 93 Stat. 84; Pub. L. 96-76, title I, §109(c), Sept. 29, 1979, 93 Stat. 580; Pub. L. 97-35, title XXVII, §2757(d), Aug. 13, 1981, 95 Stat. 931; Pub. L. 99-92, §8(f), Aug. 16, 1985, 99 Stat. 399; Pub. L. 100-607, title VII, §713(i), Nov. 4, 1988, 102 Stat. 3161; Pub. L. 102-408, title II, §208(b), Oct. 13, 1992, 106 Stat. 2075; Pub. L. 105-392, title I, §133(e), Nov. 13, 1998, 112 Stat. 3577; Pub. L. 111-148, title V, §5310(b)(5), Mar. 23, 2010, 124 Stat. 631.)

REFERENCES IN TEXT

This part, referred to in subsec. (c)(1), was in the original “this subpart” and was translated to reflect the probable intent of Congress and the redesignation of subpart II of part B of this subchapter as part E of this subchapter by Pub. L. 105-392, title I, §123(2), Nov. 13, 1998, 112 Stat. 3562.

AMENDMENTS

2010—Pub. L. 111-148 made technical amendment to section and subsec. (a) designations resulting in no change in text.

1998—Subsec. (a). Pub. L. 105-392, §133(e)(1)(A), added introductory provisions and struck out former introductory provisions which read as follows: “After September 30, 1996, and not later than December 31, 1999, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section 297a of this title by each school as follows:”

Subsec. (a)(1). Pub. L. 105-392, §133(e)(1)(B), substituted “on the date of termination of the fund” for “at the close of September 30, 1999.”

Subsec. (b). Pub. L. 105-392, §133(e)(2), amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: “After December 31, 1999, each school with which the Secretary has made an agreement under this subpart shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after September 30, 1999, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement as

¹ See References in Text note below.