

tion Loan for which the application is received on or after October 1, 1998, and before July 1, 2003.”

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-325 effective Oct. 1, 1992, see section 2 of Pub. L. 102-325, set out as a note under section 1001 of this title.

CONSTRUCTION OF 2006 AMENDMENT

Nothing in amendment by section 8007(b) of Pub. L. 109-171 to be construed to authorize any refunding of any repayment of a loan, see section 8007(e) of Pub. L. 109-171, set out as a note under section 1078 of this title.

LIMITATION ON CONSOLIDATION LOANS DURING  
TEMPORARY INTEREST RATE

Pub. L. 105-244, title IV, § 452(a)(2), Oct. 7, 1998, 112 Stat. 1716, provided that: “Notwithstanding section 455(g) of the Higher Education Act of 1965 [subsec. (g) of this section], a borrower who is enrolled or accepted for enrollment in an institution of higher education may not consolidate loans under such section during the period beginning October 1, 1998, and ending February 1, 1999, unless the borrower certifies that the borrower has no outstanding loans made, insured, or guaranteed under title IV of such Act [20 U.S.C. 1070 et seq.] other than loans made under part D of such title [this part].”

CONTINUED STUDENT LOAN PAYMENT RELIEF DURING THE  
COVID-19 PANDEMIC

Memorandum of President of the United States, Aug. 8, 2020, 85 F.R. 49585, provided:

Memorandum for the Secretary of Education

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

**SECTION 1. Policy.** The 2019 novel coronavirus known as SARS-CoV-2, the virus causing outbreaks of the disease COVID-19, has significantly disrupted the lives of Americans. In Proclamation 9994 of March 13, 2020 (Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak) [50 U.S.C. 1621 note], I declared, pursuant to the National Emergencies Act (50 U.S.C. 1601 et seq.), that the COVID-19 outbreak in the United States constituted a national emergency (the “national emergency”). The same day, I also determined that the COVID-19 outbreak constituted an emergency of nationwide scope, pursuant to section 501(b) of the Stafford Act (42 U.S.C. 5191(b)).

On March 20, 2020, my Administration took action to provide immediate relief to tens of millions of student loan borrowers during the pandemic caused by COVID-19 by both suspending loan payments and temporarily setting interest rates to 0 percent. This relief has helped many students and parents retain financial stability. And many other Americans have continued to routinely pay down their student loan balances, to more quickly eliminate their loans in the long run. During this time, borrowers have been able to determine the best path forward for themselves.

The original announcement of this policy specified that it would continue for at least 60 days. In the interim, the Coronavirus Aid, Relief, and Economic Security Act [Pub. L. 116-136] provided this same student loan payment relief, but that program is scheduled to expire on September 30, 2020. Currently, many Americans remain unemployed due to the COVID-19 pandemic, and many more have accepted lower wages and reduced hours while States and localities continue to impose social distancing measures. It is therefore appropriate to extend this policy until such time that the economy has stabilized, schools have re-opened, and the crisis brought on by the COVID-19 pandemic has subsided.

**SEC. 2. Extension of Student Loan Payment Relief.** (a) In light of the national emergency declared on March 13, 2020, the Secretary of Education shall take action pursuant to applicable law to effectuate appropriate waivers of and modifications to the requirements and condi-

tions of economic hardship deferments described in section 455(f)(2)(D) of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087e(f)(2)(D), and provide such deferments to borrowers as necessary to continue the temporary cessation of payments and the waiver of all interest on student loans held by the Department of Education until December 31, 2020.

(b) All persons who wish to continue making student loan payments shall be allowed to do so, notwithstanding the deferments provided pursuant to subsection (a) of this section.

**SEC. 3. General Provisions.** (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) You are authorized and directed to publish this memorandum in the Federal Register.

DONALD J. TRUMP.

**§ 1087f. Contracts**

**(a) Contracts for supplies and services**

**(1) In general**

The Secretary shall, to the extent practicable, award contracts for origination, servicing, and collection described in subsection (b). In awarding such contracts, the Secretary shall ensure that such services and supplies are provided at competitive prices.

**(2) Entities**

The entities with which the Secretary may enter into contracts shall include only entities which the Secretary determines are qualified to provide such services and supplies and will comply with the procedures applicable to the award of such contracts. In the case of awarding contracts for the origination, servicing, and collection of loans under this part, the Secretary shall enter into contracts only with entities that have extensive and relevant experience and demonstrated effectiveness. The entities with which the Secretary may enter into such contracts shall include, where practicable, agencies with agreements with the Secretary under sections 1078(b) and (c) of this title, if such agencies meet the qualifications as determined by the Secretary under this subsection and if those agencies have such experience and demonstrated effectiveness. In awarding contracts to such State agencies, the Secretary shall, to the extent practicable and consistent with the purposes of this part, give special consideration to State agencies with a history of high quality performance to perform services for institutions of higher education within their State.

**(3) Rule of construction**

Nothing in this section shall be construed as a limitation of the authority of any State agency to enter into an agreement for the pur-

poses of this section as a member of a consortium of State agencies.

**(b) Contracts for origination, servicing, and data systems**

The Secretary may enter into contracts for—

(1) the alternative origination of loans to students attending institutions of higher education with agreements to participate in the program under this part (or their parents), if such institutions do not have agreements with the Secretary under section 1087d(b) of this title;

(2) the servicing and collection of loans made or purchased under this part;

(3) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made or purchased under this part; and

(4) such other aspects of the direct student loan program as the Secretary determines are necessary to ensure the successful operation of the program.

(Pub. L. 89-329, title IV, §456, as added Pub. L. 102-325, title IV, §451, July 23, 1992, 106 Stat. 572; amended Pub. L. 103-66, title IV, §4021, Aug. 10, 1993, 107 Stat. 352; Pub. L. 105-244, title IV, §453, Oct. 7, 1998, 112 Stat. 1717; Pub. L. 110-227, §7(c), May 7, 2008, 122 Stat. 747; Pub. L. 111-152, title II, §2212(a), Mar. 30, 2010, 124 Stat. 1078; Pub. L. 113-67, div. A, title V, §502(1), Dec. 26, 2013, 127 Stat. 1187.)

AMENDMENTS

2013—Subsec. (a)(4). Pub. L. 113-67, §502(1)(A), struck out par. (4) which related to servicing by eligible not-for-profit servicers.

Subsec. (c). Pub. L. 113-67, §502(1)(B), struck out subsec. (c) which defined eligible not-for-profit servicer for purposes of this section.

2010—Subsec. (a)(4). Pub. L. 111-152, §2212(a)(1)(A), added par. (4).

Subsec. (c). Pub. L. 111-152, §2212(a)(2), added subsec. (c).

2008—Subsec. (b)(2), (3). Pub. L. 110-227 inserted “or purchased” after “loans made”.

1998—Subsec. (b)(3). Pub. L. 105-244, §453(1), inserted “and” after semicolon.

Subsec. (b)(4), (5). Pub. L. 105-244, §453(2), (3), redesignated par. (5) as (4) and struck out former par. (4) which read as follows: “services to assist in the orderly transition from the loan programs under part B of this subchapter to the direct student loan program under this part; and”.

1993—Pub. L. 103-66 amended section generally, substituting provisions relating to contracts for former provisions relating to terms and conditions.

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.

EFFECTIVE DATE

Section effective Oct. 1, 1992, see section 2 of Pub. L. 102-325, set out as an Effective Date of 1992 Amendment note under section 1001 of this title.

SELECTION OF STUDENT LOAN SERVICER

Pub. L. 116-260, div. H, title III, Dec. 27, 2020, 134 Stat. 1603, provided in part: “That for student loan contracts awarded prior to October 1, 2017, the Secretary [of Education] shall allow student loan borrowers who are consolidating Federal student loans to select from any stu-

dent loan servicer to service their new consolidated student loan”.

Similar provisions were contained in the following prior appropriation acts:

Pub. L. 116-94, div. A, title III, Dec. 20, 2019, 133 Stat. 2592.

Pub. L. 115-245, div. B, title III, Sept. 28, 2018, 132 Stat. 3102.

Pub. L. 115-141, div. H, title III, Mar. 23, 2018, 132 Stat. 746.

Pub. L. 115-31, div. H, title III, May 5, 2017, 131 Stat. 549.

**§ 1087g. Repealed. Pub. L. 111-39, title IV, § 404(b)(3), July 1, 2009, 123 Stat. 1946**

Section, Pub. L. 89-329, title IV, §457, as added Pub. L. 102-325, title IV, §451, July 23, 1992, 106 Stat. 572; amended Pub. L. 103-66, title IV, §4021, Aug. 10, 1993, 107 Stat. 352, related to regulatory activities associated with implementation of the first year of the direct student loan program authorized by part D, including establishment of closing date for applications not later than Oct. 1, 1993, and publication of list of selected institutions not later than Jan. 1, 1994.

EFFECTIVE DATE OF REPEAL

Repeal 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 an Effective Date of 2009 Amendment note under section 1001 of this title.

**§ 1087h. Funds for administrative expenses**

**(a) Administrative expenses**

**(1) Mandatory funds for fiscal year 2006**

For fiscal year 2006, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—

(A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part; and

(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsections (b) and (c),

not to exceed (from such funds not otherwise appropriated) \$820,000,000 in fiscal year 2006.

**(2) Repealed. Pub. L. 113-67, div. A, title V, § 502(2), Dec. 26, 2013, 127 Stat. 1187**

**(3) Authorization for administrative costs beginning in fiscal years 2007 through 2014**

For each of the fiscal years 2007 through 2014, there are authorized to be appropriated such sums as may be necessary for administrative costs under this part and part B, including the costs of the direct student loan programs under this part.

**(4) Continuing mandatory funds for account maintenance fees**

For each of the fiscal years 2007 through 2021, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b).

**(5) Account maintenance fees**

Account maintenance fees under paragraph (3)<sup>1</sup> shall be paid quarterly and deposited in

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