

Loan made under section 1087e(g) of this title, except that—

(1) in determining the applicable rate of interest on the Federal Direct Consolidation Loan made under this section (other than on a Federal Direct Consolidation Loan described in paragraph (2)), section 1077a(l)(3) of this title shall be applied without rounding the weighted average of the interest rate on the loans consolidated to the nearest higher one-eighth of 1 percent as described in subparagraph (A) of section 1077a(l)(3) of this title; and

(2) if a Federal Direct Consolidation Loan made under this section that repays a loan which is subject to an interest rate determined under section 1077a(g)(2), (j)(2), or (k)(2) of this title, then the interest rate for such Federal Direct Consolidation Loan shall be calculated—

(A) by using the applicable rate of interest described in section 1077a(g)(2), (j)(2), or (k)(2) of this title, respectively; and

(B) in accordance with section 1077a(l)(3) of this title.

(Pub. L. 89-329, title IV, § 459B, as added Pub. L. 111-152, title II, § 2206(b), Mar. 30, 2010, 124 Stat. 1075.)

### § 1087j. Loan cancellation for teachers

#### (a) Statement of purpose

It is the purpose of this section to encourage individuals to enter and continue in the teaching profession.

#### (b) Program authorized

The Secretary shall carry out a program of canceling the obligation to repay a qualified loan amount in accordance with subsection (c) for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made under this part for any new borrower on or after October 1, 1998, who—

(1) has been employed as a full-time teacher for 5 consecutive complete school years—

(A) in a school or location that qualifies under section 1087ee(a)(2)(A) of this title for loan cancellation for Perkins loan recipients who teach in such schools or locations; and

(B) if employed as an elementary school or secondary school teacher, is highly qualified as defined in section 9101<sup>1</sup> of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 7801], or meets the requirements of subsection (g)(3); and

(2) is not in default on a loan for which the borrower seeks forgiveness.

#### (c) Qualified loan amounts

##### (1) In general

The Secretary shall cancel not more than \$5,000 in the aggregate of the loan obligation on a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford Loan that is outstanding after the completion of the fifth complete school year of teaching described in subsection (b)(1). No borrower may receive a reduction of loan obligations under both this section and section 1078-10 of this title.

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

#### (2) Treatment of consolidation loans

A loan amount for a Federal Direct Consolidation Loan may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 1078 or 1078-8 of this title, for a borrower who meets the requirements of subsection (b), as determined in accordance with regulations prescribed by the Secretary.

#### (3) Additional amounts for teachers in mathematics, science, or special education

Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary shall cancel under this section shall be not more than \$17,500 in the case of—

(A) a secondary school teacher—

(i) who meets the requirements of subsection (b); and

(ii) whose qualifying employment for purposes of such subsection is teaching mathematics or science on a full-time basis; and

(B) an elementary school or secondary school teacher—

(i) who meets the requirements of subsection (b);

(ii) whose qualifying employment for purposes of such subsection is as a special education teacher whose primary responsibility is to provide special education to children with disabilities (as those terms are defined in section 1401 of this title); and

(iii) who, as certified by the chief administrative officer of the public or non-profit private elementary school or secondary school in which the borrower is employed, or, in the case of a teacher who is employed by an educational service agency, as certified by the chief administrative officer of such agency, is teaching children with disabilities that correspond with the borrower's special education training and has demonstrated knowledge and teaching skills in the content areas of the elementary school or secondary school curriculum that the borrower is teaching.

#### (d) Regulations

The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

#### (e) Construction

Nothing in this section shall be construed to authorize any refunding of any canceled loan.

#### (f) List

If the list of schools in which a teacher may perform service pursuant to subsection (b) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

#### (g) Additional eligibility provisions

##### (1) Continued eligibility

Any teacher who performs service in a school that—

(A) meets the requirements of subsection (b)(1)(A) in any year during such service; and  
 (B) in a subsequent year fails to meet the requirements of such subsection, may continue to teach in such school and shall be eligible for loan cancellation pursuant to subsection (b).

### (2) Prevention of double benefits

No borrower may, for the same voluntary service, receive a benefit under both this section and—

(A) section 1078-11 of this title;

(B) section 1087e(m) of this title; or

(C) subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

### (3) Private school teachers

An individual who is employed as a teacher in a private school and is exempt from State certification requirements (unless otherwise applicable under State law), may, in lieu of the requirement of subsection (b)(1)(B), have such employment treated as qualifying employment under this section if such individual is permitted to and does satisfy rigorous subject knowledge and skills tests by taking competency tests in the applicable grade levels and subject areas. For such purposes, the competency tests taken by such a private school teacher shall be recognized by 5 or more States for the purpose of fulfilling the highly qualified teacher requirements under section 9101<sup>1</sup> of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 7801], and the score achieved by such teacher on each test shall equal or exceed the average passing score of those 5 States.

### (h) “Year” defined

For the purpose of this section, the term “year” where applied to service as a teacher means an academic year as defined by the Secretary.

(Pub. L. 89-329, title IV, § 460, as added Pub. L. 105-244, title IV, § 456, Oct. 7, 1998, 112 Stat. 1719; amended Pub. L. 108-409, § 3(a)(1)(B), (b)(2), Oct. 30, 2004, 118 Stat. 2300, 2301; Pub. L. 109-171, title VIII, § 8013(e)(2), Feb. 8, 2006, 120 Stat. 167; Pub. L. 110-315, title IV, § 454, Aug. 14, 2008, 122 Stat. 3265; Pub. L. 111-39, title IV, § 404(b)(4), July 1, 2009, 123 Stat. 1946.)

## Editorial Notes

### REFERENCES IN TEXT

Section 9101 of the Elementary and Secondary Education Act of 1965, referred to in subsecs. (b)(1)(B) and (g)(3), was amended by Pub. L. 114-95 and, as so amended, is now section 8101 of the Act and no longer defines “highly qualified”. A reference in this section to the term “highly qualified” as defined in section 9101 of the Act is to be treated as a reference to such term under such section 9101 as in effect on the day before the date of enactment of Pub. L. 114-95. See section 9214(a)(1) of Pub. L. 114-95, set out as a Use of the Term “Highly Qualified” in Other Laws note under section 1070g-2 of this title.

The National and Community Service Act of 1990, referred to in subsec. (g)(2)(D), is Pub. L. 101-610, Nov. 16, 1990, 104 Stat. 3127. Subtitle D of title I of the Act is classified generally to division D of subchapter I (§12601

et seq.) of chapter 129 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 12501 of Title 42 and Tables.

### PRIOR PROVISIONS

A prior section 1087j, Pub. L. 89-329, title IV, § 459A, as added Pub. L. 102-325, title IV, § 451, July 23, 1992, 106 Stat. 575, which related to funds for administrative expenses under Federal direct loan demonstration program, was omitted in the general amendment of this part by Pub. L. 103-66.

### AMENDMENTS

2009—Subsec. (c)(1). Pub. L. 111-39, § 404(b)(4)(A), inserted at end “No borrower may receive a reduction of loan obligations under both this section and section 1078-10 of this title.”

Subsec. (g)(2). Pub. L. 111-39, § 404(b)(4)(B), redesignated subpars. (B) to (D) as (A) to (C), respectively, substituted “12601” for “12571” in subpar. (C), and struck out former subpar. (A) which read as follows: “section 1078-10 of this title;”.

2008—Subsec. (b). Pub. L. 110-315, § 454(c), struck out “(1) In general” before “The Secretary shall”, redesignated subpars. (A) and (B) of former par. (1) as pars. (1) and (2), respectively, and cls. (i) and (ii) of former subpar. (A) as subpars. (A) and (B), respectively, of par. (1), realigned margins, and struck out par. (2). Prior to amendment, text of par. (2) read as follows: “No borrower may obtain a reduction of loan obligations under both this section and section 1078-10 of this title.”

Subsec. (b)(1)(A)(i). Pub. L. 110-315, § 454(a)(1), inserted “or location” after “a school” and “or locations” after “such schools”.

Subsec. (c)(1). Pub. L. 110-315, § 454(d)(1), substituted “subsection (b)(1)” for “subsection (b)(1)(A)”.

Subsec. (c)(3)(A)(i), (B)(i). Pub. L. 110-315, § 454(d)(2), substituted “subsection (b)” for “subsection (b)(1)”.

Subsec. (c)(3)(B)(iii). Pub. L. 110-315, § 454(a)(2), inserted “or, in the case of a teacher who is employed by an educational service agency, as certified by the chief administrative officer of such agency,” after “borrower is employed.”

Subsec. (g)(2). Pub. L. 110-315, § 454(b), amended par. (2) generally. Prior to amendment, text read as follows: “No borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.)”.

Subsec. (g)(3). Pub. L. 110-315, § 454(d)(3), substituted “subsection (b)(1)(B)” for “subsection (b)(1)(A)(ii)”.

2006—Subsec. (b)(1)(A)(ii). Pub. L. 109-171, § 8013(e)(2)(A), inserted “, or meets the requirements of subsection (g)(3)” before “; and”.

Subsec. (g)(3). Pub. L. 109-171, § 8013(e)(2)(B), added par. (3).

2004—Subsec. (b)(1)(A). Pub. L. 108-409, § 3(a)(1)(B), added cl. (ii) and struck out former cls. (ii) and (iii) which read as follows:

“(ii) if employed as a secondary school teacher, is teaching a subject area that is relevant to the borrower’s academic major as certified by the chief administrative officer of the public or non-profit private secondary school in which the borrower is employed; and  
 “(iii) if employed as an elementary school teacher, has demonstrated, as certified by the chief administrative officer of the public or nonprofit private elementary school in which the borrower is employed, knowledge and teaching skills in reading, writing, mathematics and other areas of the elementary school curriculum; and”.

Subsec. (c)(3). Pub. L. 108-409, § 3(b)(2), added par. (3).

## Statutory Notes and Related Subsidiaries

### 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 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 2004 AMENDMENT; TRANSITION RULE

Amendment by section 3(b)(2) of Pub. L. 108-409 applicable only with respect to eligible individuals who are new borrowers (as defined in section 1003 of this title) on or after Oct. 1, 1998, see section 3(b)(3) of Pub. L. 108-409, as amended, set out as a note under section 1078-10 of this title.

For transition rules relating to amendments made by section 3(a)(1)(B) of Pub. L. 108-409, see section 3(a)(2) of Pub. L. 108-409, set out as a note under section 1078-10 of this title.

#### 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.

### PART E—FEDERAL PERKINS LOANS

#### Editorial Notes

##### CODIFICATION

This part was added as part E of title IV of Pub. L. 89-329 by Pub. L. 92-318, title I, §137(b), June 23, 1972, 86 Stat. 273, and amended by Pub. L. 94-482, Oct. 12, 1976, 90 Stat. 2081; Pub. L. 95-43, June 15, 1977, 91 Stat. 213; Pub. L. 95-561, Nov. 1, 1978, 92 Stat. 2143; Pub. L. 96-49, Aug. 13, 1979, 93 Stat. 351; Pub. L. 96-374, Oct. 3, 1980, 94 Stat. 1367; Pub. L. 97-35, Aug. 13, 1981, 95 Stat. 357; 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. Such part is shown herein, however, as having been added by Pub. L. 99-498, title IV, §405(a), Oct. 17, 1986, 100 Stat. 1439, without reference to such intervening amendments because of the extensive revision of this part by Pub. L. 99-498.

Part E of title IV of the Higher Education Act of 1965, Pub. L. 89-329, which comprises this part, was formerly classified to part D of this subchapter. See Codification note preceding section 1087a of this title.

##### PRIOR PROVISIONS

A prior part E, consisting of part F of title IV of Pub. L. 89-329, was redesignated part F of this subchapter.

### § 1087aa. Appropriations authorized

#### (a) Program authority

The Secretary shall carry out a program assisting in the maintenance of funds at institutions of higher education for the making of loans to undergraduate students in need to pursue their courses of study in such institutions or while engaged in programs of study abroad approved for credit by such institutions. Loans made under this part shall be known as “Federal Perkins Loans”.

#### (b) Authority to make loans

##### (1) In general

#### (A) Loans for new undergraduate Federal Perkins Loan borrowers

Through September 30, 2017, an institution of higher education may make a loan under this part to an eligible undergraduate stu-

dent who, on the date of disbursement of a loan made under this part, has no outstanding balance of principal or interest on a loan made under this part from the student loan fund established under this part by the institution, but only if the institution has awarded all Federal Direct Loans, as referenced under subparagraphs (A) and (D) of section 1087e(a)(2) of this title, for which such undergraduate student is eligible.

#### (B) Loans for current undergraduate Federal Perkins Loan borrowers

Through September 30, 2017, an institution of higher education may make a loan under this part to an eligible undergraduate student who, on the date of disbursement of a loan made under this part, has an outstanding balance of principal or interest on a loan made under this part from the student loan fund established under this part by the institution, but only if the institution has awarded all Federal Direct Stafford Loans as referenced under section 1087e(a)(2)(A) of this title for which such undergraduate student is eligible.

#### (C) Loans for certain graduate borrowers

Through September 30, 2016, with respect to an eligible graduate student who has received a loan made under this part prior to October 1, 2015, an institution of higher education that has most recently made such a loan to the student for an academic program at such institution may continue making loans under this part from the student loan fund established under this part by the institution to enable the student to continue or complete such academic program.

#### (2) No additional loans

An institution of higher education shall not make loans under this part after September 30, 2017.

#### (3) Prohibition on additional appropriations

No funds are authorized to be appropriated under this chapter or any other Act to carry out the functions described in paragraph (1) for any fiscal year following fiscal year 2015.

(Pub. L. 89-329, title IV, §461, as added Pub. L. 99-498, title IV, §405(a), Oct. 17, 1986, 100 Stat. 1439; amended Pub. L. 102-325, title IV, §461(a)(2)-(c), July 23, 1992, 106 Stat. 576; Pub. L. 105-244, title IV, §461, Oct. 7, 1998, 112 Stat. 1720; Pub. L. 110-315, title IV, §461, Aug. 14, 2008, 122 Stat. 3265; Pub. L. 114-105, §2(a)(1), Dec. 18, 2015, 129 Stat. 2219.)

#### Editorial Notes

##### PRIOR PROVISIONS

A prior section 1087aa, Pub. L. 89-329, title IV, §461, as added Pub. L. 92-318, title I, §137(b), June 23, 1972, 86 Stat. 273; amended Pub. L. 94-482, title I, §130(a), (b), Oct. 12, 1976, 90 Stat. 2146; Pub. L. 96-49, §5(d)(1), (2), Aug. 13, 1979, 93 Stat. 352; Pub. L. 96-374, title IV, §441, title XIII, §1391(a)(1), Oct. 3, 1980, 94 Stat. 1436, 1503, authorized a program to establish and maintain funds at institutions of higher education for making low-interest loans to students, prior to the general revision of this part by Pub. L. 99-498.

Another prior section 461 of Pub. L. 89-329 amended former section 403 of this title.