

A prior section 701 of act July 1, 1944, was classified to section 292a of this title prior to the general revision of this subchapter by Pub. L. 102-408.

### Statutory Notes and Related Subsidiaries

#### EFFECTIVE DATE

Pub. L. 102-408, title I, §103, Oct. 13, 1992, 106 Stat. 2069, provided that: "The amendment made by section 102 [enacting this subchapter] takes effect on the date of the enactment of this Act [Oct. 13, 1992], except that section 708 of the Public Health Service Act [42 U.S.C. 292g], as added by section 102 of this Act, takes effect January 1, 1993. Until such date, section 732(c) of the Public Health Service Act [former 42 U.S.C. 294e(c)], as in effect on the day before the date of the enactment of this Act, continues in effect in lieu of such section 708."

#### TRANSFER OF HEALTH EDUCATION ASSISTANCE LOAN PROGRAM

Pub. L. 113-76, div. H, title V, §525, Jan. 17, 2014, 128 Stat. 413, provided that:

"(a) IN GENERAL.—The Health Education Assistance Loan ('HEAL') program under title VII, part A, subpart I of the PHS [Public Health Service] Act [42 U.S.C. 292 et seq.], and the authority to administer such program, including servicing, collecting, and enforcing any loans that were made under such program that remain outstanding, shall be permanently transferred from the Secretary of Health and Human Services to the Secretary of Education no later than the end of the first fiscal quarter that begins after the date of enactment of this Act [Jan. 17, 2014].

"(b) TRANSFER OF FUNCTIONS, ASSETS, AND LIABILITIES.—The functions, assets, and liabilities of the Secretary of Health and Human Services relating to such program shall be transferred to the Secretary of Education.

"(c) INTERDEPARTMENTAL COORDINATION OF TRANSFER.—The Secretary of Health and Human Services and the Secretary of Education shall carry out the transfer of the HEAL program described in subsection (a), including the transfer of the functions, assets, and liabilities specified in subsection (b), in the manner that they determine is most appropriate.

"(d) USE OF AUTHORITIES UNDER HEA OF 1965.—In servicing, collecting, and enforcing the loans described in subsection (a), the Secretary of Education shall have available any and all authorities available to such Secretary in servicing, collecting, or enforcing a loan made, insured, or guaranteed under part B of title IV of the HEA [Higher Education Act] of 1965 [20 U.S.C. 1071 et seq.].

"(e) CONFORMING AMENDMENTS.—[Amended section 292o of this title.]"

#### STUDY ON EFFECTIVENESS OF HEALTH PROFESSIONS PROGRAMS

Pub. L. 102-408, title III, §309, Oct. 13, 1992, 106 Stat. 2089, directed the Comptroller General to conduct a study of the programs carried out under this subchapter and subchapter VI of this chapter for the purpose of determining the effectiveness of such programs in increasing the number of primary care providers (physicians, physician assistants, nurse midwives, nurse practitioners and general dentists), nurses and allied health personnel, improving the geographic distribution of health professionals in medically underserved and rural areas, and recruiting and retaining as students in health professions schools individuals who are members of a minority group, and report to the Congress not later than Jan. 1, 1994, on findings and recommendations made as a result of the study relevant to the reauthorization of such programs.

### § 292a. Scope and duration of loan insurance program

#### (a) In general

The total principal amount of new loans made and installments paid pursuant to lines of credit

(as defined in section 292o of this title) to borrowers covered by Federal loan insurance under this subpart shall not exceed \$350,000,000 for fiscal year 1993, \$375,000,000 for fiscal year 1994, and \$425,000,000 for fiscal year 1995. If the total amount of new loans made and installments paid pursuant to lines of credit in any fiscal year is less than the ceiling established for such year, the difference between the loans made and installments paid and the ceiling shall be carried over to the next fiscal year and added to the ceiling applicable to that fiscal year, and if in any fiscal year no ceiling has been established, any difference carried over shall constitute the ceiling for making new loans (including loans to new borrowers) and paying installments for such fiscal year. Thereafter, Federal loan insurance pursuant to this subpart may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this subpart, to continue or complete their educational program or to obtain a loan under section 292d(a)(1)(B) of this title to pay interest on such prior loans; but no insurance may be granted for any loan made or installment paid after September 30, 1998. The total principal amount of Federal loan insurance available under this subsection shall be granted by the Secretary without regard to any apportionment for the purpose of chapter 15 of title 31 and without regard to any similar limitation.

#### (b) Certain limitations and priorities

##### (1) Limitations regarding lenders, States, or areas

The Secretary may, if necessary to assure an equitable distribution of the benefits of this subpart, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

##### (2) Priority for certain lenders

In providing certificates of insurance under section 292e of this title through comprehensive contracts, the Secretary shall give priority to eligible lenders that agree—

(A) to make loans to students at interest rates below the rates prevailing, during the period involved, for loans covered by Federal loan insurance pursuant to this subpart; or

(B) to make such loans under terms that are otherwise favorable to the student relative to the terms under which eligible lenders are generally making such loans during such period.

#### (c) Authority of Student Loan Marketing Association

##### (1) In general

Subject to paragraph (2), the Student Loan Marketing Association, established under part B of title IV of the Higher Education Act of 1965 [20 U.S.C. 1071 et seq.], is authorized to make advances on the security of, purchase, service, sell, consolidate, or otherwise deal in loans which are insured by the Secretary under this subpart, except that if any loan made under this subpart is included in a con-

solidated loan pursuant to the authority of the Association under part B of title IV of the Higher Education Act of 1965, the interest rate on such consolidated loan shall be set at the weighted average interest rate of all such loans offered for consolidation and the resultant per centum shall be rounded downward to the nearest one-eighth of 1 per centum, except that the interest rate shall be no less than the applicable interest rate of the guaranteed student loan program established under part B of title IV of the Higher Education Act of 1965. In the case of such a consolidated loan, the borrower shall be responsible for any interest which accrues prior to the beginning of the repayment period of the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of any provision of the Higher Education Act of 1965 [20 U.S.C. 1001 et seq.].

**(2) Applicability of certain Federal regulations**

With respect to Federal regulations for lenders, this subpart may not be construed to preclude the applicability of such regulations to the Student Loan Marketing Association or to any other entity in the business of purchasing student loans, including such regulations with respect to applications, contracts, and due diligence.

(July 1, 1944, ch. 373, title VII, §702, as added Pub. L. 102-408, title I, §102, Oct. 13, 1992, 106 Stat. 1994.)

**Editorial Notes**

REFERENCES IN TEXT

The Higher Education Act of 1965, referred to in subsec. (c)(1), is Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219, which is classified generally to chapter 28 (§1001 et seq.) of Title 20, Education. Part B of title IV of the Act is classified generally to part B (§1071 et seq.) of subchapter IV of chapter 28 of Title 20. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of Title 20 and Tables.

PRIOR PROVISIONS

A prior section 292a, act July 1, 1944, ch. 373, title VII, §701, formerly §724, as added Sept. 24, 1963, Pub. L. 88-129, §2(b), 77 Stat. 169; amended Oct. 22, 1965, Pub. L. 89-290, §2(b), 79 Stat. 1056; Nov. 2, 1966, Pub. L. 89-709, §2(c), 80 Stat. 1103; Aug. 16, 1968, Pub. L. 90-490, title I, §105(c), 82 Stat. 774; Nov. 18, 1971, Pub. L. 92-157, title I, §102(c)(1)-(4), (f)(2)(B), 85 Stat. 431, 432, 435; renumbered §701 and amended Oct. 12, 1976, Pub. L. 94-484, title II, §201(c), (e), 90 Stat. 2247; Aug. 13, 1981, Pub. L. 97-35, title XXVII, §2716, 95 Stat. 913; Oct. 22, 1985, Pub. L. 99-129, title II, §§201(a), (b), 202, 203, 204(a), (b), 99 Stat. 525-527; Nov. 4, 1988, Pub. L. 100-607, title VI, §§620(a), 623, 628(1), 629(b)(1), (2), 102 Stat. 3141, 3142, 3145, 3146; Aug. 16, 1989, Pub. L. 101-93, §5(l), 103 Stat. 613, defined terms for purposes of this subchapter, prior to the general revision of this subchapter by Pub. L. 102-408. See sections 292o and 295p of this title.

Another prior section 292a, act July 1, 1944, ch. 373, title VII, §702, as added July 30, 1956, ch. 779, §2, 70 Stat. 717; amended Sept. 24, 1963, Pub. L. 88-129, §2(a), 77 Stat. 164, defined "Council", "construction", "cost of construction", "nonprofit institution", and "sciences related to health" as applicable to grants for construction of health research facilities, prior to repeal by Pub. L. 94-484, title II, §201(a), Oct. 12, 1976, 90 Stat. 2246.

A prior section 702 of act July 1, 1944, was classified to section 292b of this title prior to the general revision of this subchapter by Pub. L. 102-408.

**§ 292b. Limitations on individual insured loans and on loan insurance**

**(a) In general**

The total of the loans made to a student in any academic year or its equivalent (as determined by the Secretary) which may be covered by Federal loan insurance under this subpart may not exceed \$20,000 in the case of a student enrolled in a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, or podiatric medicine, and \$12,500 in the case of a student enrolled in a school of pharmacy, public health, allied health, or chiropractic, or a graduate program in health administration or behavioral and mental health practice, including clinical psychology. The aggregate insured unpaid principal amount for all such insured loans made to any borrower shall not at any time exceed \$80,000 in the case of a borrower who is or was a student enrolled in a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, or podiatric medicine, and \$50,000 in the case of a borrower who is or was a student enrolled in a school of pharmacy, public health, allied health, or chiropractic, or a graduate program in health administration or clinical psychology. The annual insurable limit per student shall not be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

**(b) Extent of insurance liability**

The insurance liability on any loan insured by the Secretary under this subpart shall be 100 percent of the unpaid balance of the principal amount of the loan plus interest. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under the provisions of section 292f or 292m of this title.

(July 1, 1944, ch. 373, title VII, §703, as added Pub. L. 102-408, title I, §102, Oct. 13, 1992, 106 Stat. 1995; amended Pub. L. 105-392, title I, §141(c)(1), Nov. 13, 1998, 112 Stat. 3579.)

**Editorial Notes**

PRIOR PROVISIONS

A prior section 292b, act July 1, 1944, ch. 373, title VII, §702, formerly §725, as added Sept. 24, 1963, Pub. L. 88-129, §2(b), 77 Stat. 169; amended Sept. 4, 1964, Pub. L. 88-581, §3(c), 78 Stat. 919; Nov. 2, 1966, Pub. L. 89-709, §2(d), 80 Stat. 1103; Nov. 3, 1966, Pub. L. 89-751, §3(a), 80 Stat. 1230; Dec. 5, 1967, Pub. L. 90-174, §12(c), 81 Stat. 541; Oct. 30, 1970, Pub. L. 91-515, title VI, §601(b)(2), 84 Stat. 1311; Nov. 18, 1971, Pub. L. 92-157, title I, §108(a), 85 Stat. 460; renumbered §702 and amended Oct. 12, 1976, Pub. L. 94-484, title II, §§201(c), 202(a)(1), (2), (b), 90 Stat. 2247, 2248; Oct. 22, 1985, Pub. L. 99-129, title II, §205(a), 99 Stat. 527; Nov. 4, 1988, Pub. L. 100-607, title VI, §§620(b), 628(2), 102 Stat. 3141, 3145, related to National Advisory Council on Education for Health Professions, prior to the general revision of this subchapter by Pub. L. 102-408.

Another prior section 292b, act July 1, 1944, ch. 373, title VII, §703, as added July 30, 1956, ch. 779, §2, 70 Stat. 717; amended Sept. 24, 1963, Pub. L. 88-129, §2(a), 77 Stat. 164; Aug. 16, 1968, Pub. L. 90-490, title IV, §403, 82 Stat. 789; Oct. 30, 1970, Pub. L. 91-515, title VI, §601(a)(1), (b)(2), 84 Stat. 1310, 1311; Nov. 18, 1971, Pub. L. 92-157,