

# 20 U.S. Code § 1075 - Limitations on individual federally insured loans and on Federal loan insurance

<https://www.law.cornell.edu/uscode/text/20/1075>

## (a) Annual and aggregate limits

### (1) Annual limits

(A) The total of 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 part may not exceed—

(i) in the case of a student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

(I) ~~\$3,500~~ **\$2,625**, if such student is enrolled in a program whose length is at least one academic year in length (as determined under [section 1088 of this title](#)); and

(II) if such student is enrolled in a program of undergraduate education which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year;

(ii) in the case of a student at an eligible institution who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate education—

(I) ~~\$4,500~~ **\$3,500**; or

(II) if such student is enrolled in a program of undergraduate education, the remainder of which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as such remainder measured in semester, trimester, quarter, or clock hours bears to one academic year;

(iii) in the case of a student at an eligible institution who has successfully completed the first and second years of a program of undergraduate education but has not successfully completed the remainder of such program—

(I) \$5,500; or

(II) if such student is enrolled in a program of undergraduate education, the remainder of which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as such remainder measured in semester, trimester, quarter, or clock hours bears to one academic year; and

(iv) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, \$8,500.

# 20 U.S. Code § 1078 - Federal payments to reduce student interest costs

<https://www.law.cornell.edu/uscode/text/20/1078>

## (b) Insurance program agreements to qualify loans for interest subsidies

**(1) Requirements of insurance program** Any State or any nonprofit private institution or organization may enter into an agreement with the Secretary for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf the payments provided for in subsection (a) of this section if the Secretary determines that the student loan insurance program—

**(A)** authorizes the insurance in any academic year, as defined in [section 1088\(a\)\(2\) of this title](#), or its equivalent (as determined under regulations of the Secretary) for any student who is carrying at an eligible institution or in a program of study abroad approved for credit by the eligible home institution at which such student is enrolled at least one-half the normal full-time academic workload (as determined by the institution) in any amount up to a maximum of—

**(i)** in the case of a student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

**(I)** ~~\$3,500~~ **\$2,625**, if such student is enrolled in a program whose length is at least one academic year in length; and

**(II)** if such student is enrolled in a program of undergraduate education which is less than 1 academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as the length of such program measured in semester, trimester, quarter, or clock hours bears to 1 academic year;

**(ii)** in the case of a student at an eligible institution who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate education—

**(I)** ~~\$4,500~~ **\$3,500**; or

**(II)** if such student is enrolled in a program of undergraduate education, the remainder of which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as such remainder measured in semester, trimester, quarter, or clock hours bears to one academic year;

**(iii)** in the case of a student at an eligible institution who has successfully completed the first and second years of a program of undergraduate education but has not successfully completed the remainder of such program—

**(I)** \$5,500; or

**(II)** if such student is enrolled in a program of undergraduate education, the remainder of which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as such remainder measured in semester, trimester, quarter, or clock hours bears to one academic year;

**(iv)** in the case of a student who has received an associate or baccalaureate degree and is enrolled in an eligible program for which the institution requires such degree for admission, the number of years that a student has completed in a program of undergraduate education shall, for the purposes of clauses (ii) and (iii), include any prior enrollment in the

eligible program of undergraduate education for which the student was awarded such degree;

(v) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, \$8,500; and

(vi) in the case of a student enrolled in coursework specified in sections [1091\(b\)\(3\)\(B\)](#) and [1091\(b\)\(4\)\(B\)](#) of this title—

(I) \$2,625 for coursework necessary for enrollment in an undergraduate degree or certificate program, and, in the case of a student who has obtained a baccalaureate degree, \$5,500 for coursework necessary for enrollment in a graduate or professional degree or certification program; and

(II) in the case of a student who has obtained a baccalaureate degree, \$5,500 for coursework necessary for a professional credential or certification from a State required for employment as a teacher in an elementary school or secondary school; except in cases where the Secretary determines, pursuant to regulations, that a higher amount is warranted in order to carry out the purpose of this part with respect to students engaged in specialized training requiring exceptionally high costs of education, but the annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any years in excess of the annual limit;

except in cases where the Secretary determines, pursuant to regulations, that a higher amount is warranted in order to carry out the purpose of this part with respect to students engaged in specialized training requiring exceptionally high costs of education, but the annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any years in excess of the annual limit;

## 20 U.S. Code § 1087dd - Terms of loans

<https://www.law.cornell.edu/uscode/text/20/1087dd>

### (a) Terms and conditions

(1) Loans from any student loan fund established pursuant to an agreement under [section 1087cc of this title](#) to any student by any institution shall, subject to such conditions, limitations, and requirements as the Secretary shall prescribe by regulation, be made on such terms and conditions as the institution may determine.

(2)

(A) Except as provided in paragraph (4), the total of loans made to a student in any academic year or its equivalent by an institution of higher education from a loan fund established pursuant to an agreement under this part shall not exceed—

(i) ~~\$5,500~~ **\$4,000**, in the case of a student who has not successfully completed a program of undergraduate education; or

(ii) ~~\$8,000~~ **\$6,000**, in the case of a graduate or professional student (as defined in regulations issued by the Secretary).

(B) Except as provided in paragraph (4), the aggregate unpaid principal amount for all loans made to a student by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed—

(i) ~~\$60,000~~ **\$40,000**, in the case of any graduate or professional student (as defined by regulations issued by the Secretary, and including any loans from such funds made to such

person before such person became a graduate or professional student);  
(ii) ~~\$27,500~~ **\$20,000**, in the case of a student who has successfully completed 2 years of a program of education leading to a bachelor's degree but who has not completed the work necessary for such a degree (determined under regulations issued by the Secretary), and including any loans from such funds made to such person before such person became such a student; and  
(iii) ~~\$11,000~~ **\$8,000**, in the case of any other student.

### **Legislative Analysis:**

I sought to find out if the “Freedom from dangerous, risky, & very obscenely high Loan Limits Act of 2016,” a proposed by myself (Gordon Wayne Watts, LAKELAND, Florida) to my 2 US Senators and my US Congressman, had correct language in it “to work” and not “screw up.”

Specifically, I wanted to make sure that the changes in law (e.g., the horrible increases in the “Loan Limits”) enacted by the passage of §422 of H.R.507 (109th CONGRESS), the “College Access and Opportunity Act of 2005,” a John Boehner bill, had not been overwritten or “updated” since then.

Had new “loan limits” been set, then my proposed bill would have had to be “tweaked” a little bit.

**Conclusion: As it turns out, the Loan Limits set by the Boehner bill (cited above) were still current – and in effect, so my proposed bill (which can be found in these folders:**

<http://GordonWatts.com/DennisRoss-on-HigherEd/BILLS/>

<http://GordonWayneWatts.com/DennisRoss-on-HigherEd/BILLS/>

which links are cited at the bottom of my Editorial:

<http://GordonWatts.com/BraveRepublicanBreaksRanksWithGOP-HigheEd.html>

<http://GordonWayneWatts.com/BraveRepublicanBreaksRanksWithGOP-HigheEd.html>

itself, front-page news of my namesake blogs) **should be introduced, voted on, signed, and passed into law.**

~~ *Gordon Wayne Watts*, LAKELAND, Florida///

--- Gordon Wayne Watts

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