

application to any lender participating in the Consolidation Loan Program. In the case of a married couple seeking a Consolidation loan, if at least one of the applicants has multiple holders, the applicants may submit the application to any lender participating in the Consolidation Loan Program. If both applicants have a single holder, only the holder for one of the applicants must be contacted for consolidation. If a lender decides to make the loan, the lender obtains a loan guarantee from a guaranty agency or the Secretary.

(e) *Repaying a loan*—(1) *General*. Generally, the borrower is obligated to repay the full amount of the loan, late fees, collection costs chargeable to the borrower, and any interest not payable by the Secretary. The borrower's obligation to repay is cancelled if the borrower dies, becomes totally and permanently disabled, or has that obligation discharged in bankruptcy. The borrower's obligation to repay a PLUS loan is cancelled if the student, on whose behalf the parent borrowed, dies. The borrower's or student's obligation to repay all or a portion of his or her loan may be cancelled if the student is unable to complete his or her program of study because the school closed or the borrower's or student's eligibility to borrow was falsely certified by the school. The obligation to repay all or a portion of a loan may be forgiven for Stafford loan borrowers who enter certain areas of the teaching or nursing professions or perform certain kinds of national or community service.

(2) *Stafford loan repayment*. In the case of a subsidized Stafford loan, a borrower is not required to make any principal payments on a Stafford loan during the time the borrower is in school. The Secretary pays the interest on the borrower's behalf during the time the borrower is in school. When the borrower ceases to be enrolled on at least a half-time basis, a grace period begins during which no principal payments are required, and the Secretary continues to make interest payments on the borrower's behalf. In the case of an unsubsidized Stafford loan, the borrower is responsible for interest during these periods. At the end of the grace period, the repayment period begins. During the repayment period, for

the subsidized and unsubsidized Stafford loan, the borrower pays both the principal and the interest accruing on the loan.

(3) *SLS loan repayment*. Generally, the repayment period for an SLS loan begins immediately on the day of the last disbursement of the loan proceeds by the lender. The first payment of principal and interest on an SLS loan is due from the borrower within 60 days after the loan is fully disbursed unless a borrower who is also a Stafford loan borrower, but who has not yet entered repayment on the Stafford loan, requests that commencement of repayment on the SLS loan be deferred until the borrower's grace period on the Stafford loan expires.

(4) *PLUS loan repayment*. Generally, the repayment period for a PLUS loan begins on the day the loan is fully disbursed by the lender. The first payment of principal and interest on a PLUS loan is due from the borrower within 60 days after the loan is fully disbursed.

(5) *Consolidation loan repayment*. Generally, the repayment period for a Consolidation loan begins on the day the loan is disbursed. The first payment of principal and interest on a Consolidation loan is due from the borrower within 60 days after the borrower's liability on all loans being consolidated has been discharged.

(6) *Deferment of repayment*. Repayment of principal on a FFEL program loan may be deferred under the circumstances described in § 682.210.

(7) *Default*. If a borrower defaults on a loan, the guarantor reimburses the lender for the amount of its loss. The guarantor then collects the amount owed from the borrower.

(Approved by the Office of Management and Budget under control number 1845-0020)

(Authority: 20 U.S.C. 1071 to 1087-2)

[57 FR 60323, Dec. 18, 1992, as amended at 59 FR 25744, May 17, 1994; 59 FR 33348, June 28, 1994; 64 FR 18975, Apr. 16, 1999; 64 FR 58952, Nov. 1, 1999]

### § 682.103 Applicability of subparts.

(a) Subpart B of this part contains general provisions that are applicable to all participants in the FFEL and Federal GSL programs.

(b) The administration of the FFEL programs by a guaranty agency is subject to subparts C, D, F, and G of this part.

(c) The Federal FFEL and Federal GSL programs are subject to subparts C, E, F, and G of this part.

(d) Certain requirements applicable to schools under all the FFEL and Federal GSL programs are set forth in subpart F of this part.

(Authority: 20 U.S.C. 1071 to 1087-2)

[57 FR 60323, Dec. 18, 1992, as amended at 64 FR 18975, Apr. 16, 1999; 64 FR 58952, Nov. 1, 1999]

**Subpart B—General Provisions**

**§ 682.200 Definitions.**

(a)(1) The definitions of the following terms used in this part are set forth in subpart A of the Student Assistance General Provisions, 34 CFR part 668:

- Academic year
- Campus-based programs
- Dependent student
- Eligible program
- Eligible student
- Enrolled
- Federal Consolidation Loan Program
- Federal Pell Grant Program
- Federal Perkins Loan Program
- Federal PLUS Program
- Federal Work-Study (FWS) Program
- Full-time student
- Independent student
- Leveraging Educational Assistance Partnership (LEAP) Program
- National of the United States (Referred to as U.S. Citizen or National in 34 CFR 668.2)
- Payment period
- Supplemental Educational Opportunity Grant (SEOG) Program
- Supplemental Loans for Students (SLS) Program

(2) The following definitions are set forth in the regulations for Institutional Eligibility under the Higher Education Act of 1965, as amended, 34 CFR part 600:

- Accredited
- Clock hour
- Correspondence course
- Educational program
- Federal Family Education Loan Program (formerly known as the Guaranteed Student Loan (GSL) Program)
- Institution of higher education (§ 600.4)
- Nationally recognized accrediting agency
- Postsecondary Vocational Institution
- Preaccredited

Secretary  
State

(3) The definition for cost of attendance is set forth in section 472 of the Act, as amended.

(b) The following definitions also apply to this part:

*Act.* The Higher Education Act of 1965, as amended, 20 U.S.C. 1071 *et seq.*

*Actual interest rate.* The annual interest rate a lender charges on a loan, which may be equal to or less than the applicable interest rate on that loan.

*Applicable interest rate.* The maximum annual interest rate that a lender may charge under the Act on a loan.

*Authority.* Any private non-profit or public entity that may issue tax-exempt obligations to obtain funds to be used for the making or purchasing of FFEL loans. The term “Authority” also includes any agency, including a State postsecondary institution or any other instrumentality of a State or local governmental unit, regardless of the designation or primary purpose of that agency, that may issue tax-exempt obligations, any party authorized to issue those obligations on behalf of a governmental agency, and any non-profit organization authorized by law to issue tax-exempt obligations.

*Borrower.* An individual to whom a FFEL Program loan is made.

*Co-Maker.* One of two married individuals who jointly borrow a Consolidation loan, each of whom are eligible and who are jointly and severally liable for repayment of the loan. The term co-maker also includes one of two parents who are joint borrowers as previously authorized in the PLUS Program.

*Default.* The failure of a borrower and endorser, if any, or joint borrowers on a PLUS or Consolidation loan, to make an installment payment when due, or to meet other terms of the promissory note, the Act, or regulations as applicable, if the Secretary or guaranty agency finds it reasonable to conclude that the borrower and endorser, if any, no longer intend to honor the obligation to repay, provided that this failure persists for—

- (1) 270 days for a loan repayable in monthly installments; or
- (2) 330 days for a loan repayable in less frequent installments.