

**TITLE 20 - EDUCATION**

**CHAPTER 28 - HIGHER EDUCATION RESOURCES AND STUDENT ASSISTANCE**

**SUBCHAPTER IV - STUDENT ASSISTANCE**

**Part C - William D. Ford Federal Direct Loan Program**

**§ 1087i-2. Temporary loan consolidation authority**

**(a) Temporary loan consolidation authority**

**(1) In general**

A borrower who has 1 or more loans in 2 or more of the categories described in paragraph (2), and who has not yet entered repayment on 1 or more of those loans in any of the categories, may consolidate all of the loans of the borrower that are described in paragraph (2) into a Federal Direct Consolidation Loan during the period described in paragraph (3).

**(2) Categories of loans that may be consolidated**

The categories of loans that may be consolidated under paragraph (1) are—

**(A)** loans made under this part;

**(B)** loans purchased by the Secretary pursuant to section 1087i-1 of this title; and

**(C)** loans made under part B that are held by an eligible lender, as such term is defined in section 1085 (d) of this title.

**(3) Time period in which loans may be consolidated**

The Secretary may make a Federal Direct Consolidation Loan under this section to a borrower whose application for such Federal Direct Consolidation Loan is received on or after July 1, 2010, and before July 1, 2011.

**(b) Terms of loans**

A Federal Direct Consolidation Loan made under this section shall have the same terms and conditions as a Federal Direct Consolidation 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.)