

**Issue Paper 7**  
**Session 3: March 16-18, 2016**

**Issue:** Revise the Direct Consolidation Loan regulations to allow for the consolidation of Nurse Faculty Loans.

**Statutory cite:** §§428C(a)(4)(E) and 455(g) of the Higher Education Act of 1965, as amended

**Regulatory cite:** 34 CFR 685.220(b)(21)

**Summary of change:**

The change would revise 34 CFR 685.221(b)(21) to reflect the statutory language in section 428(C)(a)(4)(E) of the HEA, which provides that loans made under “part E of title VIII of the Public Health Service Act [42 USC 297a et seq.]” may be consolidated into a Direct Consolidation Loan. Loans made under part E of title VIII of the Public Health Service Act include both Nursing Student Loans and Nurse Faculty Loans.

**Changes:** See regulatory text below.

**§685.220 Consolidation.**

(a) \* \* \*

(b) *Loans eligible for consolidation.* The following loans may be consolidated into a Direct Consolidation Loan:

\* \* \*

(21) Nursing loans made under ~~subpart H of part B~~part E of title VIII of the Public Health Service Act.

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