
7 U.S. Code § 2008h

Loan and loan servicing limitations

(a) Delinquent borrowers prohibited from obtaining direct operating loans

The Secretary may not make a direct operating loan under subchapter II to a borrower who is delinquent on any loan made or guaranteed under this chapter.

(b) Prohibition of loans for borrowers that have received debt forgiveness

(1) Prohibitions

Except as provided in paragraph (2)—

- (A) the Secretary may not make a loan under this chapter to a borrower that has received debt forgiveness on a loan made or guaranteed under this chapter; and
- (B) the Secretary may not guarantee a loan under this chapter to a borrower that has received—
 - (i) debt forgiveness after April 4, 1996, on a loan made or guaranteed under this chapter; or
 - (ii) received debt forgiveness on more than 3 occasions on or before April 4, 1996.

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