

NGB-ARH
2001

27 August

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Repaying Student Loans in Excess of Limitations (Policy Number 01-08 for Army National Guard Soldiers)

1. Department of Defense (DoD) Office of General Counsel has determined that there has been an error in DoD administration of existing law for the Student Loan Repayment Program. General Counsel goes on to state that the maximum amounts contained in Title 10, U.S.C. Sections 16301 and 16302 must be observed. There is no authority to pay amounts (whether that amount is principal, interest, or a combination of the two) in excess of the statutory maximum. For example, under Section 16301, the total amount that DoD may pay (in principal and interest) may not exceed 15 percent or \$500 of the original principal, whichever is greater. The amount paid in interest may not be paid in addition to these statutory maximums.
2. Effective immediately, payments on Student Loans will not exceed the maximum amounts allowed by law as explained above. Interest will not be calculated or paid as a separate amount of the 15 percent or \$500 whichever is greater. This policy applies to SLRP contracts already in affect and all future contracts.
3. Soldiers must be informed that the payments will not include interest as a separate calculation.
4. Point of contact SFC Kendall Peters, DSN 327-5878 or 703-607-5878.

FOR THE CHIEF, NATIONAL GUARD BUREAU:

/Signed/
JOHN F. REYNOLDS
Colonel, GS
Chief, Human Resources
Policy and Programs Division

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