**Section 2720.55 Federal Consolidation Loan Program**

a) ISAC shall guarantee Federal Consolidation Loans pursuant to Section 428C of the Higher Education Act of 1965, as amended (20 USCA 1078-3).

b) Lenders may make Federal Consolidation Loans provided participation in the Federal Consolidation Loan Program is authorized by the Lender Agreement. (See Section 2720.20(a).)

1) ISAC shall initially authorize a lender to issue no more than $5,000,000 in guaranteed Federal Consolidation Loans.

2) A lender may receive additional lending authority provided an ISAC compliance review indicates the lender is complying with federal regulations, statutes and rules. (See Section 2720.20(f).)

c) All applications and promissory notes shall be in a form approved by ED. Lenders shall report to ISAC when a Federal Consolidation Loan is made.

d) Lenders or holders shall request default aversion assistance and reimbursement on Federal Consolidation Loans in accordance with Sections 2720.60 and 2720.70.

e) Lenders or holders shall pay the U.S. Department of Education all fees required by Section 428C(f) of the Higher Education Act, as amended, for Federal Consolidation Loans made on or after October 1, 1993.

(Source: Amended at 23 Ill. Reg. 7537, effective July 1, 1999)