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(Original Signature of Member)

109TH CONGRESS
1ST SESSION

H. R. _____

To amend the Higher Education Act of 1965 to reduce interest rates for student and parent borrowers.

IN THE HOUSE OF REPRESENTATIVES

Mr. GEORGE MILLER of California introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Higher Education Act of 1965 to reduce interest rates for student and parent borrowers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Reverse the Raid on
5 Student Aid Act of 2006”.

6 **SEC. 2. INTEREST RATE REDUCTIONS.**

7 (a) FFEL INTEREST RATES.—Section 427A(l) (20
8 U.S.C. 1077a(l)) is amended—



1 (1) in paragraph (1)—

2 (A) by striking “6.8 percent” and inserting
3 “3.4 percent”; and

4 (B) by inserting before the period at the
5 end the following: “, except that for any loan
6 made pursuant to section 428H for which the
7 first disbursement is made on or after July 1,
8 2006, the applicable rate of interest shall be 6.8
9 percent on the unpaid principal balance of the
10 loan”; and

11 (2) in paragraph (2), by striking “8.5 percent”
12 and inserting “4.25 percent”.

13 (b) DIRECT LOANS.—Section 455(b)(7) (20 U.S.C.
14 1087e(b)(7)) is amended—

15 (1) in subparagraph (A)—

16 (A) by striking “and Federal Direct Un-
17 subsidized Stafford Loans”;

18 (B) by striking “6.8 percent” and inserting
19 “3.4 percent”; and

20 (C) by inserting before the period at the
21 end the following: “, and for any Federal Direct
22 Unsubsidized Loan made for which the first
23 disbursement is made on or after July 1, 2006,
24 the applicable rate of interest shall be 6.8 per-



1 cent on the unpaid principal balance of the
2 loan”; and
3 (2) in subparagraph (B), by striking “7.9 per-
4 cent” and inserting “4.25 percent.”

