PUBLIC LAW 110–227—MAY 7, 2008

ENSURING CONTINUED ACCESS TO STUDENT LOANS ACT OF 2008

Public Law 110–227
110th Congress

An Act

May 7, 2008
[H.R. 5715]

To ensure continued availability of access to the Federal student loan program for students and families.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Ensuring Continued Access to Student Loans Act of 2008.
20 USC 1001 note.

SECTION 1. SHORT TITLE.

This title may be cited as the "Ensuring Continued Access to Student Loans Act of 2008".

SEC. 2. INCREASING UNSUBSIDIZED STAFFORD LOAN LIMITS FOR UNDERGRADUATE STUDENTS.

(a) AMENDMENTS.—Subsection (d) of section 428H of the Higher Education Act of 1965 (20 U.S.C. 1078–8(d)) is amended to read as follows:

"(d) LOAN LIMITS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), the annual and aggregate limits for loans under this section shall be the same as those established under section 428(b)(1), less any amount received by such student pursuant to the subsidized loan program established under section 428.

"(2) LIMITS FOR GRADUATE AND PROFESSIONAL STUDENTS.—

"(A) ANNUAL LIMITS.—The maximum annual amount of loans under this section a graduate or professional student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the amount determined under paragraph (1), plus—

"(i) in the case of such a student who is a graduate or professional student attending an eligible institution, $12,000; and

"(ii) in the case of a graduate student enrolled in coursework specified in sections 484(b)(3)(B) and 484(b)(4)(B), $7,000;

except in cases where the Secretary determines that a higher amount is warranted in order to carry out the purpose of this part with respect to students engaged in specialized training requiring exceptionally high costs of education, but the annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any years in excess of the annual limit.

"(B) AGGREGATE LIMIT.—The maximum aggregate amount of loans under this section a student described in subparagraph (A) may borrow shall be the amount described in paragraph (1), adjusted to reflect the increased

annual limits described in subparagraph (A), as prescribed by the Secretary by regulation.

"(3) LIMITS FOR UNDERGRADUATE DEPENDENT STUDENTS.—

"(A) ANNUAL LIMITS.—The maximum annual amount of loans under this section an undergraduate dependent student (except an undergraduate dependent student whose parents are unable to borrow under section 428B or the Federal Direct PLUS Loan Program) may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the sum of the amount determined under paragraph (1), plus $2,000.

"(B) AGGREGATE LIMITS.—The maximum aggregate amount of loans under this section a student described in subparagraph (A) may borrow shall be $31,000.

"(4) LIMITS FOR UNDERGRADUATE INDEPENDENT STUDENTS.—

"(A) ANNUAL LIMITS.—The maximum annual amount of loans under this section an undergraduate independent student, or an undergraduate dependent student whose parents are unable to borrow under section 428B or the Federal Direct PLUS Loan Program, may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the sum of the amount determined under paragraph (1), plus—

"(i) in the case of such a student attending an eligible institution who has not completed such student's first 2 years of undergraduate study—

"(I) $6,000, if such student is enrolled in a program whose length is at least one academic year in length; or

"(II) if such student is enrolled in a program of undergraduate education which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year;

"(ii) in the case of such a student at an eligible institution who has successfully completed such first and second years but has not successfully completed the remainder of a program of undergraduate education—

"(I) $7,000; or

"(II) if such student is enrolled in a program of undergraduate education, the remainder of which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as such remainder measured in semester, trimester, quarter, or clock hours bears to one academic year; and

"(iii) in the case of such a student enrolled in coursework specified in sections 484(b)(3)(B) and 484(b)(4)(B), $6,000 for coursework necessary for

enrollment in an undergraduate degree or certificate program.

"(B) AGGREGATE LIMITS.—The maximum aggregate amount of loans under this section a student described in subparagraph (A) may borrow shall be $57,500.

"(5) CAPITALIZED INTEREST.—Interest capitalized shall not be deemed to exceed a maximum aggregate amount determined under subparagraph (B) of paragraph (2), (3), or (4).".

20 USC 1078–8 note.

(b) STUDENT ELIGIBILITY.—Loan limit increases authorized by the amendments made by this section shall be available only to students who meet the requirements of section 484(a) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)).

20 USC 1078–8 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for loans first disbursed on or after July 1, 2008.

SEC. 3. GRACE PERIOD FOR PARENT PLUS LOANS.

(a) AMENDMENT.—Section 428B(d) of the Higher Education Act of 1965 (20 U.S.C. 1078–2(d)) is amended by amending paragraphs (1) and (2) to read as follows:

"(1) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall—

"(A) commence not later than—

"(i) 60 days after the date such loan is disbursed by the lender, except as provided in clause (ii); and

"(ii) if agreed upon by a parent borrower, the day after 6 months after the date the student for whom the loan is borrowed ceases to carry at least one-half the normal full-time academic workload (as determined by the institution); and

"(B) be subject to deferral during any period during which the graduate or professional student or the parent meets the conditions required for a deferral under section 427(a)(2)(C) or 428(b)(1)(M).

"(2) CAPITALIZATION OF INTEREST.—

"(A) IN GENERAL.—Interest on loans made under this section—

"(i) which accrues prior to the beginning of repayment under paragraph (1)(A)(i), shall be added to the principal amount of the loan; and

"(ii) which accrues prior to the beginning of repayment under paragraph (1)(A)(ii) or during a period in which payments of principal are deferred pursuant to paragraph (1)(B) shall, if agreed upon by the borrower and the lender—

"(I) be paid monthly or quarterly; or

"(II) be added to the principal amount of the loan not more frequently than quarterly by the lender.

"(B) INSURABLE LIMITS.—Capitalization of interest under this paragraph shall not be deemed to exceed the annual insurable limit on account of the borrower.".

(b) CONFORMING AMENDMENT.—Section 428(b)(7)(C) of such Act (20 U.S.C. 1078(b)(7)(C)) is amended by striking ", 428B,".

20 USC 1078 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for loans first disbursed on or after July 1, 2008.

SEC. 4. SPECIAL RULES FOR PLUS LOANS.

Section 428B(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1078–2(a)(3)) is amended to read as follows:

"(3) SPECIAL RULES.—

"(A) PARENT BORROWERS.—Whenever necessary to carry out the provisions of this section, the terms 'student' and 'borrower' as used in this part shall include a parent borrower under this section.

"(B)(i) EXTENUATING CIRCUMSTANCES.—An eligible lender may determine that extenuating circumstances exist under the regulations promulgated pursuant to paragraph (1)(A) if, during the period beginning January 1, 2007, and ending December 31, 2009, an applicant for a loan under this section—

"(I) is or has been delinquent for 180 days or fewer on mortgage loan payments or on medical bill payments during such period; and

"(II) is not and has not been more than 89 days delinquent on the repayment of any other debt during such period.

"(ii) DEFINITION OF MORTGAGE LOAN.—In this subparagraph, the term 'mortgage loan' means an extension of credit to a borrower that is secured by the primary residence of the borrower.

"(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed to limit an eligible lender's authority under the regulations promulgated pursuant to paragraph (1)(A) to determine that extenuating circumstances exist.".

SEC. 5. LENDER-OF-LAST-RESORT.

(a) IN GENERAL.—Section 428(j) of the Higher Education Act of 1965 (20 U.S.C. 1078(j)) is amended—

(1) in the first sentence of paragraph (1), by striking "students eligible to receive interest benefits paid on their behalf under subsection (a) of this section who are otherwise unable to obtain loans under this part" and inserting "eligible students and parents who are otherwise unable to obtain loans under this part (except for consolidation loans under section 428C) or who attend an institution of higher education in the State that is designated under paragraph (4)";

(1) in paragraph (1), by inserting after the second sentence the following: "No loan under section 428, 428B, or 428H that is made pursuant to this subsection shall be made with interest rates, origination or default fees, or other terms and conditions that are more favorable to the borrower than the maximum interest rates, origination or default fees, or other terms and conditions applicable to that type of loan under this part.";

(2) in paragraph (2)(B), by inserting ", in the case of students and parents applying for loans under this subsection because of an inability to otherwise obtain loans under this part (except for consolidation loans under section 428C)," after "lender, nor";

(3) in paragraph (3)(C)—

(A) in the first sentence, by inserting "or designates an institution of higher education for participation in the

program under this subsection under paragraph (4)" after "under this part"; and

(B) in the third sentence, by inserting "or to eligible borrowers who attend an institution in the State that is designated under paragraph (4)" after "problems"; and

(4) by adding at the end the following:

Designation.

"(4) INSTITUTION-WIDE STUDENT QUALIFICATION.—Upon the request of an institution of higher education and pursuant to standards developed by the Secretary, the Secretary shall designate such institution for participation in the lender-of-last-resort program under this paragraph. If the Secretary designates an institution under this paragraph, the guaranty agency designated for the State in which the institution is located shall make loans, in the same manner as such loans are made under paragraph (1), to students and parent borrowers of the designated institution, regardless of whether the students or parent borrowers are otherwise unable to obtain loans under this part (other than a consolidation loan under section 428C).

"(5) STANDARDS DEVELOPED BY THE SECRETARY.—In developing standards with respect to paragraph (4), the Secretary may require—

"(A) an institution of higher education to demonstrate that, despite due diligence on the part of the institution, the institution has been unable to secure the commitment of eligible lenders willing to make loans under this part to a significant number of students attending the institution;

"(B) that, prior to making a request under such paragraph for designation for participation in the lender-of-last-resort program, an institution of higher education shall demonstrate that the institution has met a minimum threshold, as determined by the Secretary, for the number or percentage of students at such institution who have received rejections from eligible lenders for loans under this part; and

"(C) any other standards and guidelines the Secretary determines to be appropriate.

"(6) EXPIRATION OF AUTHORITY.—The Secretary's authority under paragraph (4) to designate institutions of higher education for participation in the program under this subsection shall expire on June 30, 2009.

"(7) EXPIRATION OF DESIGNATION.—The eligibility of an institution of higher education, or borrowers from such institution, to participate in the program under this subsection pursuant to a designation of the institution by the Secretary under paragraph (4) shall expire on June 30, 2009. After such date, borrowers from an institution designated under paragraph (4) shall be eligible to participate in the program under this subsection as such program existed on the day before the date of enactment of the Ensuring Continued Access to Student Loans Act of 2008.

"(8) PROHIBITION ON INDUCEMENTS AND MARKETING.—Each guaranty agency or eligible lender that serves as a lender-of-last-resort under this subsection—

"(A) shall be subject to the prohibitions on inducements contained in subsection (b)(3) and the requirements of section 435(d)(5); and

"(B) shall not advertise, market, or otherwise promote loans under this subsection, except that nothing in this paragraph shall prohibit a guaranty agency from fulfilling its responsibilities under paragraph (2)(C).

"(9) DISSEMINATION AND REPORTING.—

"(A) IN GENERAL.—The Secretary shall— Public information.

"(i) broadly disseminate information regarding the availability of loans made under this subsection;

"(ii) during the period beginning July 1, 2008 and ending June 30, 2010, provide to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives and make available to the public—

"(I) copies of any new or revised plans or agreements made by guaranty agencies or the Department related to the authorities under this subsection;

"(II) quarterly reports on—

"(aa) the number and amounts of loans originated or approved pursuant to this subsection by each guaranty agency and eligible lender; and

"(bb) any related payments by the Department, a guaranty agency, or an eligible lender; and

"(III) a budget estimate of the costs to the Federal Government (including subsidy and administrative costs) for each 100 dollars loaned, of loans made pursuant to this subsection between the date of enactment of the Ensuring Continued Access to Student Loans Act of 2008 and June 30, 2009, disaggregated by type of loan, compared to such costs to the Federal Government during such time period of comparable loans under this part and part D, disaggregated by part and by type of loan; and

"(iii) beginning July 1, 2010, provide to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives and make available to the public— Effective date.

"(I) copies of any new or revised plans or agreements made by guaranty agencies or the Department related to the authorities under this subsection; and

"(II) annual reports on—

"(aa) the number and amounts of loans originated or approved pursuant to this subsection by each guaranty agency and eligible lender; and

"(bb) any related payments by the Department, a guaranty agency, or an eligible lender.

"(B) SEPARATE REPORTING.—The information required to be reported under subparagraph (A)(ii)(II) shall be reported separately for loans originated or approved pursuant to paragraph (4), or payments related to such loans, for the time period in which the Secretary is authorized to make designations under paragraph (4).".

20 USC 1078 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

Deadlines. Regulations. 20 USC 1078 note.

(c) REVIEW OF INDUCEMENTS LIMITATIONS.—Within 90 days after the date of enactment of this Act, the Secretary of Education shall review, and as necessary revise, the Department of Education's regulations concerning prohibited guaranty agency inducements to eligible lenders (34 CFR 682.401(e)) to ensure that such agencies do not engage in improper inducements in the expansion of operations of the lender-of-last-resort program as authorized by the amendments made by this section. The Secretary shall submit a report on the review and revision required by this subsection to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate within 180 days after such date of enactment.

Reports.

SEC. 6. MANDATORY ADVANCES.

(a) IN GENERAL.—Section 421(b) of the Higher Education Act of 1965 (20 U.S.C. 1071(b)) is amended—

(1) in paragraph (4), by striking "programs, and" and inserting "programs,";

(2) in paragraph (5), by striking "agencies." and inserting "agencies, and"; and

(3) by inserting before the matter following paragraph (5) the following:

"(6) there is authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the purpose of carrying out section 422(c)(7).".

Appropriation authorization.

20 USC 1071 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

SEC. 7. TEMPORARY AUTHORITY TO PURCHASE STUDENT LOANS.

(a) SPENDING AUTHORITY.—

(1) AUTHORITY GRANTED.—The first sentence of section 451(a) of the Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is amended—

(A) by inserting "(1)" after "as may be necessary"; and

(B) by inserting before the period at the end of such sentence the following: "; and (2) for purchasing loans under section 459A".

(2) CONFORMING AMENDMENT.—Section 451(a) of such Act (20 U.S.C. 1087a(a)) is further amended by striking "Such loans shall" and inserting "Loans made under this part shall".

(b) TEMPORARY AUTHORITY.—Part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) is amended by inserting after section 459 the following new section:

20 USC 1087i–1.

"SEC. 459A. TEMPORARY AUTHORITY TO PURCHASE STUDENT LOANS.

"(a) AUTHORITY TO PURCHASE.—

"(1) AUTHORITY; DETERMINATION REQUIRED.—Upon a determination by the Secretary that there is an inadequate availability of loan capital to meet the demand for loans under sections 428, 428B, or 428H, whether as a result of inadequate liquidity for such loans or for other reasons, the Secretary, in consultation with the Secretary of the Treasury, is authorized to purchase, or enter into forward commitments to purchase, from any eligible lender, as defined by section 435(d)(1), loans first disbursed under sections 428, 428B, or 428H on or after October 1, 2003, and before July 1, 2009, on such terms as the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interest of the United States, except that any purchase under this section shall not result in any net cost to the Federal Government (including the cost of servicing the loans purchased), as determined jointly by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget.

"(2) FEDERAL REGISTER NOTICE.—The Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget, shall jointly publish a notice in the Federal Register prior to any purchase of loans under this section that—

"(A) establishes the terms and conditions governing the purchases authorized by paragraph (1);

"(B) includes an outline of the methodology and factors that the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget, will jointly consider in evaluating the price at which to purchase loans made under section 428, 428B, or 428H; and

"(C) describes how the use of such methodology and consideration of such factors used to determine purchase price will ensure that loan purchases do not result in any net cost to the Federal Government (including the cost of servicing the loans purchased).

"(b) PROCEEDS.—The Secretary shall require, as a condition of any purchase under subsection (a), that the funds paid by the Secretary to any eligible lender under this section shall be used: (1) to ensure continued participation of such lender in the Federal student loan programs authorized under part B of this title; and (2) to originate new Federal loans to students, as authorized under part B of this title.

"(c) MAINTAINING SERVICING ARRANGEMENTS.—The Secretary may, if agreed upon by an eligible lender selling loans under this section, contract with such lender for the servicing of the loans purchased, provided that—

"(1) the cost of such servicing arrangement does not exceed the cost the Federal Government would otherwise incur for the servicing of loans purchased, as determined under subsection (a); and

"(2) such servicing arrangement is in the best interest of the borrowers whose loans are purchased.

"(d) EXPIRATION OF AUTHORITY.—The Secretary's authority to purchase loans under this section shall expire on July 1, 2009.".

(c) CONTRACTING AUTHORITY.—Section 456(b) of the Higher Education Act of 1965 (20 U.S.C. 1087f(b)) is amended by inserting

"or purchased" after "loans made" each place it appears in paragraphs (2) and (3).

SEC. 8. SENSE OF CONGRESS.

It is a sense of Congress that, at a time when our economy is fragile and higher education and retraining opportunities are more important than ever—

(1) the Federal financial institutions, such as the Federal Financing Bank and Federal Reserve, and federally chartered private entities such as the Federal Home Loan Banks and others, should consider, in consultation with the Secretary of Treasury and the Secretary of Education, using available authorities in a timely manner, if needed, to assist in ensuring that students and families can access Federal student loans for academic year 2008–2009, and if needed in the subsequent academic year, in a manner that results in no increased costs to taxpayers; and

(2) any action taken as a result of such consideration should in no way limit or delay the Secretary of Education's authority to operate the lender-of-last-resort provisions of section 428(j) of the Higher Education Act of 1965 (as amended by this Act), nor the authority to purchase Federal Family Education Loan Program loans, as authorized by section 459A of such Act (as added by this Act).

SEC. 9. GAO STUDY ON IMPACT OF INCREASED LOAN LIMITS.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the impact of the increase in Federal loan limits provided for in section 2 of this Act and section 8005 of the Deficit Reduction Act of 2005 with respect to the impact on—

(1) tuition, fees, and room and board at institutions of higher education; and

(2) private loan borrowing by students and parents for attendance at institutions of higher education.

(b) STUDY COMPONENTS.—The study required under subsection (a) shall be conducted for each major sector of institutions of higher education over a 5-year time period. The report shall specifically analyze the following:

(1) Whether, on average, tuition, fees, and room and board increase, decrease, or remain unchanged in each such sector after the increases in Federal loan limits take effect.

(2) Whether the amount of private educational loans taken out by students (and their parents) at institutions in each such sector to pay tuition, fees, and room and board increase, decrease, or remain unchanged.

(c) REPORT.—Not later than one year after the date of enactment of this Act, the Comptroller General shall provide an interim report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate including the initial results of the study conducted under this section. The Comptroller General shall follow up with such Committees after the third year and the fifth year after such date of enactment.

SEC. 10. ACADEMIC COMPETITIVENESS GRANTS.

(a) AMENDMENTS.—Section 401A of the Higher Education Act of 1965 (20 U.S.C. 1070a–1) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) ACADEMIC COMPETITIVENESS GRANT PROGRAM AUTHORIZED.—The Secretary shall award grants, in the amounts specified in subsection (d)(1), to eligible students to assist the eligible students in paying their college education expenses.";

(2) in subsection (b)—

(A) by striking "academic year" each place it appears and inserting "year"; and

(B) in paragraph (2), by striking "third or fourth" and inserting "third, fourth, or fifth";

(3) in subsection (c)—

(A) in the matter preceding paragraph (1)—

(i) by striking "full–time";

(ii) by striking "academic" and inserting "award"; and

(iii) by striking "is made" and inserting "is made for a grant under this section";

(B) by striking paragraphs (1) and (2) and inserting the following:

"(1) is eligible for a Federal Pell Grant;

"(2) is enrolled or accepted for enrollment in an institution of higher education on not less than a half-time basis; and"; and

(C) in paragraph (3)—

(i) by striking "academic" each place the term appears;

(ii) in subparagraph (A)—

(I) by striking the matter preceding clause (i) and inserting the following:

"(A) the first year of a program of undergraduate education at a two- or four-year degree-granting institution of higher education (including a program of not less than one year for which the institution awards a certificate)—";

(II) by striking clause (i) and inserting the following:

"(i) has successfully completed, after January 1, 2006, a rigorous secondary school program of study that prepares students for college and is recognized as such by the State official designated for such recognition, or with respect to any private or home school, the school official designated for such recognition for such school, consistent with State law, which recognized program shall be reported to the Secretary; and"; and

(III) in clause (ii), by inserting ", except as part of a secondary school program of study" before the semicolon;

(iii) in subparagraph (B)—

(I) in the matter preceding clause (i), by striking "year of" and all that follows through "higher education" and inserting "year of a program of undergraduate education at a two- or four-year degree-granting institution of higher education (including a program of not less than two years for which the institution awards a certificate)"; and

(II) in clause (ii), by striking "or" after the semicolon at the end;

(iv) in subparagraph (C)—

(I) in the matter preceding subclause (I) of clause (i), by inserting "certified by the institution to be" after "is";

(II) by striking clause (i)(II) and inserting the following:

"(II) a critical foreign language; and"; and

(III) in clause (ii), by striking the period at the end and inserting a semicolon; and

(v) by adding at the end the following:

"(D) the third or fourth year of a program of undergraduate education at an institution of higher education (as defined in section 101(a)), is attending an institution that demonstrates, to the satisfaction of the Secretary, that the institution—

"(i) offers a single liberal arts curriculum leading to a baccalaureate degree, under which students are not permitted by the institution to declare a major in a particular subject area, and the student—

"(I)(aa) studies, in such years, a subject described in subparagraph (C)(i) that is at least equal to the requirements for an academic major at an institution of higher education that offers a baccalaureate degree in such subject, as certified by an appropriate official from the institution; and

"(bb) has obtained a cumulative grade point average of at least 3.0 (or the equivalent as determined under regulations prescribed by the Secretary) in the relevant coursework; or

"(II) is required, as part of the student's degree program, to undertake a rigorous course of study in mathematics, biology, chemistry, and physics, which consists of at least—

"(aa) 4 years of study in mathematics; and

"(bb) 3 years of study in the sciences, with a laboratory component in each of those years; and

"(ii) offered such curriculum prior to February 8, 2006; or

"(E) the fifth year of a program of undergraduate education that requires 5 full years of coursework, as certified by the appropriate official of the degree-granting institution of higher education, for which a baccalaureate degree is awarded by a degree-granting institution of higher education—

"(i) is certified by the institution of higher education to be pursuing a major in—

"(I) the physical, life, or computer sciences, mathematics, technology, or engineering (as determined by the Secretary pursuant to regulations); or

"(II) a critical foreign language; and

"(ii) has obtained a cumulative grade point average of at least 3.0 (or the equivalent, as determined under

regulations prescribed by the Secretary) in the coursework required for the major described in clause (i).";

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking "The" and inserting "IN GENERAL.—The";

(II) in clause (ii), by striking "or" after the semicolon at the end;

(III) in clause (iii), by striking "subsection (c)(3)(C)." and inserting "subparagraph (C) or (D) of subsection (c)(3), for each of the two years described in such subparagraphs; or"; and

(IV) by adding at the end the following:

"(iv) $4,000 for an eligible student under subsection (c)(3)(E)."; and

(ii) in subparagraph (B)—

(I) by striking "Notwithstanding" and inserting "LIMITATION; RATABLE REDUCTION.—Notwithstanding";

(II) by redesignating clauses (i), (ii), and (iii), as clauses (ii), (iii), and (iv), respectively; and

(III) by inserting before clause (ii), as redesignated under subclause (II), the following:

"(i) in any case in which a student attends an institution of higher education on less than a full-time basis, the amount of the grant that such student may receive shall be reduced in the same manner as a Federal Pell Grant is reduced under section 401(b)(2)(B);";

(B) by striking paragraph (2) and inserting the following:

"(2) LIMITATIONS.—

"(A) NO GRANTS FOR PREVIOUS CREDIT.—The Secretary may not award a grant under this section to any student for any year of a program of undergraduate education for which the student received credit before the date of enactment of the Higher Education Reconciliation Act of 2005.

"(B) NUMBER OF GRANTS.—The Secretary may not award more than one grant to a student described in subsection (c)(3) for each year of study described in such subsection."; and

(C) by adding at the end the following: and

"(3) CALCULATION OF GRANT PAYMENTS.—An institution of higher education shall make payments of a grant awarded under this section in the same manner, using the same payment periods, as such institution makes payments for Federal Pell Grants under section 401.";

(5) by striking subsection (e)(2) and inserting the following:

"(2) AVAILABILITY OF FUNDS.—Funds made available under paragraph (1) for a fiscal year shall remain available for the succeeding fiscal year.";

(6) in subsection (f)—

(A) by striking "at least one" and inserting "not less than one"; and

(B) by striking "subsection (c)(3)(A) and (B)" and inserting "subparagraphs (A) and (B) of subsection (c)(3)"; and

(7) in subsection (g), by striking "academic" and inserting "award".

20 USC 1070a–1 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 2009.

20 USC 1089 note.

SEC. 11. INAPPLICABILITY OF MASTER CALENDAR AND NEGOTIATED RULEMAKING REQUIREMENTS.

Sections 482 and 492 of the Higher Education Act of 1965 (20 U.S.C. 1089, 1098a) shall not apply to amendments made by sections 2 through 9 of this Act, or to any regulations promulgated under such amendments.

Approved May 7, 2008.

LEGISLATIVE HISTORY—H.R. 5715:

HOUSE REPORTS: No. 110–583 (Comm. on Education and Labor).
CONGRESSIONAL RECORD, Vol. 154 (2008):
Apr. 16, 17, considered and passed House.
Apr. 30, considered and passed Senate, amended.
May 1, House concurred in Senate amendments.

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