

***In the Senate of the United States,***

*July 24, 2013.*

*Resolved*, That the bill from the House of Representatives (H.R. 1911) entitled “An Act to amend the Higher Education Act of 1965 to establish interest rates for new loans made on or after July 1, 2013, to direct the Secretary of Education to convene the Advisory Committee on Improving Postsecondary Education Data to conduct a study on improvements to postsecondary education transparency at the Federal level, and for other purposes.”, do pass with the following

**AMENDMENT:**

Strike all after the first word and insert the following:

1 ***1. SHORT TITLE.***

2 *This Act may be cited as the “Bipartisan Student*  
3 *Loan Certainty Act of 2013”.*

4 ***SEC. 2. INTEREST RATES.***

5 *(a) INTEREST RATES.—Section 455(b) of the Higher*  
6 *Education Act of 1965 (20 U.S.C. 1087e(b)) is amended—*

1           (1) *in paragraph (7)—*

2                   (A) *in the paragraph heading, by inserting*  
 3           *“AND BEFORE JULY 1, 2013” after “ON OR AFTER*  
 4           *JULY 1, 2006”;*

5                   (B) *in subparagraph (A), by inserting “and*  
 6           *before July 1, 2013,” after “on or after July 1,*  
 7           *2006,”;*

8                   (C) *in subparagraph (B), by inserting “and*  
 9           *before July 1, 2013,” after “on or after July 1,*  
 10          *2006,”; and*

11                  (D) *in subparagraph (C), by inserting “and*  
 12          *before July 1, 2013,” after “on or after July 1,*  
 13          *2006,”;*

14          (2) *by redesignating paragraphs (8) and (9) as*  
 15          *paragraphs (9) and (10), respectively; and*

16          (3) *by inserting after paragraph (7) the fol-*  
 17          *lowing:*

18                  “(8) *INTEREST RATE PROVISIONS FOR NEW*  
 19          *LOANS ON OR AFTER JULY 1, 2013.—*

20                       “(A) *RATES FOR UNDERGRADUATE FDSL*  
 21          *AND FDUSL.—Notwithstanding the preceding*  
 22          *paragraphs of this subsection, for Federal Direct*  
 23          *Stafford Loans and Federal Direct Unsubsidized*  
 24          *Stafford Loans issued to undergraduate students,*  
 25          *for which the first disbursement is made on or*

1       *after July 1, 2013, the applicable rate of interest*  
 2       *shall, for loans disbursed during any 12-month*  
 3       *period beginning on July 1 and ending on June*  
 4       *30, be determined on the preceding June 1 and*  
 5       *be equal to the lesser of—*

6               “(i) *a rate equal to the high yield of*  
 7               *the 10-year Treasury note auctioned at the*  
 8               *final auction held prior to such June 1 plus*  
 9               *2.05 percent; or*

10              “(ii) *8.25 percent.*

11              “(B) *RATES FOR GRADUATE AND PROFES-*  
 12       *SIONAL FDUSL.—Notwithstanding the preceding*  
 13       *paragraphs of this subsection, for Federal Direct*  
 14       *Unsubsidized Stafford Loans issued to graduate*  
 15       *or professional students, for which the first dis-*  
 16       *bursement is made on or after July 1, 2013, the*  
 17       *applicable rate of interest shall, for loans dis-*  
 18       *bursed during any 12-month period beginning*  
 19       *on July 1 and ending on June 30, be determined*  
 20       *on the preceding June 1 and be equal to the less-*  
 21       *er of—*

22              “(i) *a rate equal to the high yield of*  
 23              *the 10-year Treasury note auctioned at the*  
 24              *final auction held prior to such June 1 plus*  
 25              *3.6 percent; or*

1 “(ii) 9.5 percent.

2 “(C) *PLUS LOANS*.—Notwithstanding the  
3 preceding paragraphs of this subsection, for Fed-  
4 eral Direct *PLUS* Loans, for which the first dis-  
5 bursement is made on or after July 1, 2013, the  
6 applicable rate of interest shall, for loans dis-  
7 bursed during any 12-month period beginning  
8 on July 1 and ending on June 30, be determined  
9 on the preceding June 1 and be equal to the less-  
10 er of—

11 “(i) a rate equal to the high yield of  
12 the 10-year Treasury note auctioned at the  
13 final auction held prior to such June 1 plus  
14 4.6 percent; or

15 “(ii) 10.5 percent.

16 “(D) *CONSOLIDATION LOANS*.—Notwith-  
17 standing the preceding paragraphs of this sub-  
18 section, any Federal Direct Consolidation Loan  
19 for which the application is received on or after  
20 July 1, 2013, shall bear interest at an annual  
21 rate on the unpaid principal balance of the loan  
22 that is equal to the weighted average of the inter-  
23 est rates on the loans consolidated, rounded to  
24 the nearest higher one-eighth of one percent.

1           “(E) *CONSULTATION.*—*The Secretary shall*  
 2           *determine the applicable rate of interest under*  
 3           *this paragraph after consultation with the Sec-*  
 4           *retary of the Treasury and shall publish such*  
 5           *rate in the Federal Register as soon as prac-*  
 6           *ticable after the date of determination.*

7           “(F) *RATE.*—*The applicable rate of interest*  
 8           *determined under this paragraph for a Federal*  
 9           *Direct Stafford Loan, a Federal Direct Unsub-*  
 10          *sidized Stafford Loan, or a Federal Direct*  
 11          *PLUS Loan shall be fixed for the period of the*  
 12          *loan.”.*

13          (b) *EFFECTIVE DATE.*—*The amendments made by sub-*  
 14          *section (a) shall take effect as if enacted on July 1, 2013.*

15   **SEC. 3. BUDGETARY EFFECTS.**

16          (a) *PAYGO SCORECARD.*—*The budgetary effects of this*  
 17          *Act shall not be entered on either PAYGO scorecard main-*  
 18          *tained pursuant to section 4(d) of the Statutory Pay- As-*  
 19          *You-Go Act of 2010.*

20          (b) *SENATE PAYGO SCORECARD.*—*The budgetary ef-*  
 21          *fects of this Act shall not be entered on any PAYGO score-*  
 22          *card maintained for purposes of section 201 of S. Con. Res.*  
 23          *21 (110th Congress).*

1 **SEC. 4. STUDY ON THE ACTUAL COST OF ADMINISTERING**  
2 **THE FEDERAL STUDENT LOAN PROGRAMS.**

3 *Not later than 120 days after the date of enactment*  
4 *of this Act, the Comptroller General of the United States*  
5 *shall—*

6 *(1) complete a study that determines the actual*  
7 *cost to the Federal Government of carrying out the*  
8 *Federal student loan programs authorized under title*  
9 *IV of the Higher Education Act of 1965 (20 U.S.C.*  
10 *1070 et seq.), which shall—*

11 *(A) provide estimates relying on accurate*  
12 *information based on past, current, and pro-*  
13 *jected data as to the appropriate index and*  
14 *mark-up rate for the Federal Government's cost*  
15 *of borrowing that would allow the Federal Gov-*  
16 *ernment to effectively administer and cover the*  
17 *cost of the Federal student programs authorized*  
18 *under title IV of the Higher Education Act of*  
19 *1965 (20 U.S.C. 1070 et seq.) under the scoring*  
20 *rules outlined in the Federal Credit Reform Act*  
21 *of 1990 (2 U.S.C. 661 et seq.);*

22 *(B) provide the information described in*  
23 *this section in a way that separates out adminis-*  
24 *trative costs, interest rate, and other loan terms*  
25 *and conditions; and*

1           (C) set forth clear recommendations to the  
2           relevant authorizing committees of Congress as to  
3           how future legislation can incorporate the results  
4           of the study described in this section to allow for  
5           the administration of the Federal student loan  
6           programs authorized under title IV of the Higher  
7           Education Act of 1965 (20 U.S.C. 1070 et seq.)  
8           without generating any additional revenue to the  
9           Federal Government except revenue that is need-  
10          ed to carry out such programs; and  
11          (2) prepare and submit a report to the Com-  
12          mittee on Health, Education, Labor, and Pensions of  
13          the Senate and the Committee on Education and the  
14          Workforce of the House of Representatives setting  
15          forth the conclusions of the study described in this sec-  
16          tion in such a manner that the recommendations in-  
17          cluded in the report can inform future reauthoriza-  
18          tions of the Higher Education Act of 1965 (20 U.S.C.  
19          1001 et seq.).

Attest:

*Secretary.*

113<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H.R. 1911**

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**AMENDMENT**