IB

Union Calendar No. 57

113TH CONGRESS
1ST SESSION

H. R. 1911

[Report No. 113–82, Part I]

To amend the Higher Education Act of 1965 to establish interest rates for new loans made on or after July 1, 2013.

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2013

Mr. KLINE (for himself and Ms. FOXX) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY 20, 2013

Additional sponsors: Mr. ROE of Tennessee, Mr. GRIFFIN of Arkansas, Mr. MESSER, and Mr. THOMPSON of Pennsylvania

MAY 20, 2013

Reported from the Committee on Education and the Workforce with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

MAY 20, 2013

The Committee on the Budget discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on May 9, 2013]

A BILL

To amend the Higher Education Act of 1965 to establish interest rates for new loans made on or after July 1, 2013.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Smarter Solutions for Students Act".

SEC. 2. STUDENT LOAN INTEREST RATES.

Section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)) is amended—

(1) in paragraph (7)—

(A) in the paragraph heading, by inserting ", AND BEFORE JULY 1, 2013" after "2006";

(B) in subparagraph (A), by inserting "and before July 1, 2013," after "2006,";

(C) in subparagraph (B), by inserting "and before July 1, 2013," after "2006,"; and

(D) in subparagraph (C), by inserting "and before July 1, 2013," after "2006,";

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

(3) by inserting after paragraph (7), the following:

"(8) INTEREST RATE PROVISION FOR NEW LOANS ON OR AFTER JULY 1, 2013.—

"(A) RATES FOR FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this

subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 2013, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the high-yield 10-year Treasury notes auctioned at the final auction held prior to such June 1; plus

"(ii) 2.5 percent,

except that such rate shall not exceed 8.5 percent.

"(B) PLUS LOANS.—Notwithstanding the preceding paragraphs of this subsection, for any Federal Direct PLUS Loan for which the first disbursement is made on or after July 1, 2013, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the high-yield 10-year Treasury notes auctioned at the final auction held prior to such June 1; plus

"(ii) 4.5 percent,

except that such rate shall not exceed 10.5 percent.

"(C) CONSOLIDATION LOANS.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation Loan for which the application is received on or after July 1, 2013, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent.".

SEC. 3. BUDGETARY EFFECTS.

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

(b) SENATE PAYGO SCORECARD.—The budgetary effects of this Act shall not be entered on any PAYGO scorecard maintained for purposes of section 201 of S. Con. Res. 21 (110th Congress).

Union Calendar No. 57

113TH CONGRESS
1ST SESSION

H. R. 1911

[Report No. 113–82, Part I]

A BILL

To amend the Higher Education Act of 1965 to establish interest rates for new loans made on or after July 1, 2013.

MAY 20, 2013

Reported from the Committee on Education and the Workforce with an amendment

MAY 20, 2013

The Committee on the Budget discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed