

**AMENDMENT TO THE RULES COMMITTEE PRINT  
FOR H.R. 3136  
OFFERED BY MR. MCNERNEY OF CALIFORNIA**

At the end of the bill, add the following new section:

1 **SEC. \_\_\_\_ . REINSTATEMENT FOLLOWING BANKRUPTCY OF**  
2 **INSTITUTION OF HIGHER EDUCATION FOR**  
3 **PURPOSES OF FEDERAL PELL GRANTS.**

4 Section 102(a)(4) of the Higher Education Act of  
5 1965 (20 U.S.C. 1002(a)(4)) is amended—

6 (1) in subparagraph (A), by striking “the insti-  
7 tution” and inserting “except as provided in sub-  
8 paragraph (B), the institution”;

9 (2) by redesignating subparagraphs (A) and  
10 (B) as clauses (i) and (ii), respectively, and moving  
11 the margins 2 ems to the right;

12 (3) by striking “LIMITATIONS BASED ON MAN-  
13 AGEMENT.—An institution shall” and inserting the  
14 following: “LIMITATIONS BASED ON MANAGE-  
15 MENT.—

16 “(A) IN GENERAL.—An institution shall”;

17 and

18 (4) by adding at the end the following new sub-  
19 paragraph:

1           “(B) WAIVER.—For purposes of awarding  
2           Federal Pell Grants under subpart 1 of part A  
3           of title IV, the Secretary may consider an insti-  
4           tution described in subparagraph (A)(i) as  
5           meeting the definition of an institution of high-  
6           er education in paragraph (1) if—

7                   “(i) the institution or affiliate of such  
8                   institution described in subparagraph  
9                   (A)(i) filed for bankruptcy not less than 5  
10                  years prior to the date on which such insti-  
11                  tution seeks a waiver under this subpara-  
12                  graph;

13                   “(ii) the institution described in sub-  
14                   paragraph (A)(i) submits to the Secretary  
15                   such information as the Secretary con-  
16                   siders appropriate; and

17                   “(iii) the Secretary determines that  
18                   such institution should not be subject to  
19                   the requirement under subparagraph (A).”.

