AMENDMENT TO THE RULES COMMITTEE PRINT

OF H.R. 1911

OFFERED BY M.K. Miller of California

Strike paragraph (3) of section 2 (page 2, line 1 through page 3, line 19) and insert the following new paragraph:

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

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

“(A) RATES FOR FDSL, FDUSL, AND PLUS.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, and Federal Direct PLUS 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)(I) in the case of a Federal Direct Stafford Loan, 0.9 percent; 

“(II) in the case of a Federal Direct Unsubsidized Stafford Loan, 2.9 percent; 

and 

“(III) in the case of a Federal Direct PLUS Loan, 3.9 percent.

“(B) 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 lesser of—

“(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent; or

“(ii) 8.25 percent.

“(C) FIXED RATES.—The applicable rate of interest determined under this paragraph for a loan shall be fixed for the life of the loan.
“(D) INTEREST RATE REDUCTION.—During the 5-year period beginning on October 1, 2018, the Secretary shall reduce the applicable rates of interest under this paragraph by an amount that in the aggregate reduces the revenue of the direct student loan program under this part by a total of $3,100,000,000.”.

Redesignate section 3 as section 4.

Insert after section 2 the following new section:

SEC. 3. INCOME-BASED REPAYMENT.

(a) IN GENERAL.—Section 493C of the Higher Education Act of 1965 (20 U.S.C. 1098e) is amended—

(1) in subsection (a)(3)(B), by striking “15 percent” and inserting “10 percent”;

(2) in subsection (b)(7)(B), by striking “25 years” and inserting “20 years”; and

(3) by striking subsection (e).

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to all borrowers participating in income-based repayment under section 493C of the Higher Education Act of 1965 (20 U.S.C. 1098e) before, on, and after the date of the enactment of this Act.