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Revised

**AMENDMENT TO H.R. 5715, AS REPORTED  
OFFERED BY MR. GEORGE MILLER OF  
CALIFORNIA**

**Manager's amendment**

In section 2 of the bill—

- (1) redesignate subsection (b) as subsection (c);
- and
- (2) after subsection (a) insert the following new subsection:

1       (b) STUDENT ELIGIBILITY.—Loan limit increases  
2 authorized by the amendments made by this section shall  
3 be available only to students who meet the requirements  
4 of section 484(a) of the Higher Education Act of 1965  
5 (20 U.S.C. 1091(a)).

In section 428H(d) of the Higher Education Act of  
1965, as amended by section 2(a) of the bill—

- (1) in clause (i) of paragraph (2)(A), strike  
“\$14,000” and insert “\$12,000”; and
- (2) in subclause (II) of paragraph (4)(A)(i),  
strike “clause (i)” and insert “subclause (I)”.

In section 3 of the bill—

(1) in subsection (a), insert “of the Higher Education Act of 1965” after “428B(d)”; and

(2) in subsection (b), insert “of such Act” after “428(b)(7)(C)”.

In section 4 of the bill, insert “of the Higher Education Act of 1965 (20 U.S.C. 1078-2(a)(3))” after “428B(a)(3)”.

In section 428B(a)(3) of the Higher Education Act of 1965, as amended by section 4 of the bill, strike subparagraph (B) and insert the following:

1                   “(B)(i) EXTENUATING CIRCUMSTANCES.—

2                   For loans made on or after July 1, 2008, and  
3                   before July 1, 2009, a lender may determine  
4                   that extenuating circumstances exist under the  
5                   regulations promulgated pursuant to paragraph  
6                   (1)(A) if an applicant for a loan under this sec-  
7                   tion is delinquent for 180 days or less on their  
8                   home mortgage payments and is not more than  
9                   89 days delinquent on the repayment of any  
10                  other debt.

11                  “(ii) MASTER CALENDAR INAPPLICABLE.—

12                  Section 482 shall not apply to determinations  
13                  made under clause (i).”.

In section 5(a) of the bill—

(1) in paragraph (1), strike “students and parents” and insert “eligible students and parents”;

(2) in paragraph (3)(A), strike the comma after “paragraph (4)”; and

(3) in paragraph (4), strike paragraph (4) of section 428(j) of the Higher Education Act of 1965 added by such paragraph of the bill and insert the following:

1           “(4) INSTITUTION-WIDE STUDENT QUALIFICA-  
2           TION.—Upon the request of an institution of higher  
3           education and pursuant to standards developed by  
4           the Secretary, the Secretary shall designate such in-  
5           stitution for participation in the lender-of-last-resort  
6           program under this paragraph. If the Secretary des-  
7           ignates an institution under this paragraph, the  
8           guaranty agency designated for the State in which  
9           the institution is located shall make loans, in the  
10          same manner as such loans are made under para-  
11          graph (1), to students and parent borrowers of the  
12          designated institution, regardless of whether the stu-  
13          dents or parent borrowers are otherwise unable to  
14          obtain loans under this part (other than a consolida-  
15          tion loan under section 428C).

1           “(5) STANDARDS DEVELOPED BY THE SEC-  
2           RETARY.—In developing standards with respect to  
3           paragraph (4), the Secretary may require—

4                   “(A) an institution of higher education to  
5                   demonstrate that, despite due diligence on the  
6                   part of the institution, the institution has been  
7                   unable to secure the commitment of lenders  
8                   willing to make loans to a significant number of  
9                   students attending the institution;

10                   “(B) that, prior to making a request under  
11                   such paragraph for designation for participation  
12                   in the lender-of-last-resort program, an institu-  
13                   tion of higher education shall demonstrate that  
14                   the institution has met a minimum threshold,  
15                   as determined by the Secretary, for the number  
16                   or percentage of students at such institution  
17                   who have received rejections from eligible lend-  
18                   ers for loans under this part; and

19                   “(C) any other standards and guidelines  
20                   the Secretary determines to be appropriate.”.

In section 459A of the Higher Education Act of  
1965, as added by section 7 of the bill—

(1) in subsection (a)(1), insert “, or enter into  
forward commitments to purchase,” after “is au-  
thorized to purchase”;

(2) in subsection (b)—

(A) strike “shall be used” and all that follows through the period and insert the following: “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.”;

(3) redesignate subsection (c) as subsection (d);

and

(4) after subsection (b), insert the following new subsection:

1       “(c) MAINTAINING SERVICING ARRANGEMENTS.—

2 The Secretary may, if agreed upon by an eligible lender  
3 selling loans under this section, contract with such lender  
4 for the servicing of the loans purchased, provided that—

5       “(1) the cost of such servicing arrangement  
6 does not exceed the cost the Federal Government  
7 would otherwise incur for the servicing of loans pur-  
8 chased, as determined under subsection (a); and

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

