

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2669
OFFERED BY MR. PETRI OF WISCONSIN**

Sense of Congress

Insert at the appropriate place the following new section:

1 **SEC. ____ . SENSE OF THE CONGRESS; REPORT.**

2 (a) SENSE OF CONGRESS.—It is the sense of the Con-
3 gress that—

4 (1) in order to provide the borrowers of Federal
5 student loans with the option of converting their
6 loans to income contingent repayment by providing
7 direct loans for the discharge of such loans (in this
8 section referred to as “direct IDEA loans”), the Sec-
9 retary of Education and of the Secretary of the
10 Treasury will work together with the Government
11 Accountability Office to develop a process by which
12 the borrower will make payments on such loan using
13 the income tax withholding system and will make ap-
14 propriate adjustments to his or her withholding or
15 estimated tax payments for such purposes; and

16 (2) determine whether:

1 (A) such a repayment option would be ben-
2 efficient to borrowers and taxpayers;

3 (B) determine how such program would be
4 implemented by the Departments of Education
5 and Treasury; and

6 (3) this process would—

7 (A) streamline the repayment process and
8 provide greater flexibility for borrowers electing
9 to use the direct IDEA loan;

10 (B) significantly reduce the number of loan
11 defaults by borrowers;

12 (C) significantly reduce the redundancy in
13 reporting information pertaining to income-con-
14 tingent repayment to the Department of Edu-
15 cation, institutions, and applicants.

16 (b) REPORT.—The Secretaries of Education and the
17 Treasury shall, within one year after the date of enact-
18 ment of this Act—

19 (1) provide the Congress with information on
20 the progress in devising the direct IDEA loan with
21 income-contingent repayment using the income tax
22 withholding system(a);

23 (2) inform the Congress of any necessary statu-
24 tory changes for the purpose establishing a direct

1 IDEA loan with income-contingent repayment using
2 the income tax withholding system; and
3 (3) consider international implementation of in-
4 come-contingent repayment collected through rev-
5 enue services, such as programs in England, Aus-
6 tralia, and New Zealand. .

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Insert at the appropriate place the following new section:

1 **SEC. ____ . MARKET-BASED DETERMINATION OF LENDER**
2 **RETURNS.**

3 (a) **JOINT PLANNING STUDY TO SELECT AUCTION**
4 **MECHANISMS FOR TESTING.—**

5 (1) **PLANNING STUDY.—**The Secretaries of
6 Education and Treasury jointly shall conduct a plan-
7 ning study, in consultation with the Office of Man-
8 agement and Budget, the Congressional Budget Of-
9 fice, the General Accounting Office, and other indi-
10 viduals and entities the Secretaries determines ap-
11 propriate, to—

12 (A) examine the matters described in para-
13 graph (2) in order to determine which market-
14 based mechanisms for determining lender re-
15 turns on loans made, insured, or guaranteed
16 under part B of title IV of the Higher Edu-
17 cation Act of 1965 (20 U.S.C. 1071 et seq.)

1 (C) how to ensure that statutory, regu-
2 latory, and administrative requirements do not
3 impede separate management and ownership of
4 loans or assets backed by loans under part B
5 of title IV.

6 (3) MECHANISMS.—In determining which mar-
7 ket-based mechanisms are the most promising mod-
8 els to test the pilot programs under subsection (b),
9 the planning study shall take into account whether
10 a particular market-based mechanism will—

11 (A) ensure loan availability under part B
12 of title IV to all eligible students at all partici-
13 pating institutions;

14 (B) minimize administrative complexity for
15 borrowers, institutions, lenders, and the Federal
16 Government; and

17 (C) reduce Federal costs if used on a pro-
18 gram-wide basis.

19 (4) REPORT.—A report on the results of the
20 planning study, together with a plan for implementa-
21 tion of one or more pilot programs using promising
22 market-based approaches for determining lender re-
23 turns, shall be transmitted to Congress not later
24 than 6 months following the date of enactment of
25 this Act.