

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6138

To temporarily extend the programs under the Higher Education Act of 1965, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2006

Mr. KELLER (for himself, Mr. McKEON, and Mr. TIBERI) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To temporarily extend the programs under the Higher Education Act of 1965, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Third Higher Edu-  
5       cation Extension Act of 2006”.

6       **SEC. 2. EXTENSION OF PROGRAMS.**

7       Section 2(a) of the Higher Education Extension Act  
8       of 2005 (Public Law 109–81; 20 U.S.C. 1001 note) is  
9       amended by striking “September 30, 2006” and inserting  
10      “June 30, 2007”.

1 **SEC. 3. ELIGIBLE LENDER TRUSTEE RELATIONSHIPS WITH**  
2 **ELIGIBLE INSTITUTIONS.**

3 (a) AMENDMENT.—Section 435(d) of the Higher  
4 Education Act of 1965 (20 U.S.C. 1085(d)) is amended  
5 by adding at the end the following new paragraph:

6 “(7) ELIGIBLE LENDER TRUSTEES.—Notwith-  
7 standing any other provision of this subsection, an  
8 eligible lender may not make or hold a loan under  
9 this part as trustee for an institution of higher edu-  
10 cation, or for an organization affiliated with that in-  
11 stitution of higher education, unless—

12 “(A) the lender is serving as trustee for  
13 that institution or organization as of the date  
14 of enactment of the Third Higher Education  
15 Extension Act of 2006 under a contract that  
16 was originally entered into before the date of  
17 enactment of such Act and that continues in ef-  
18 fect or is renewed after such date; and

19 “(B) the institution and the eligible lender,  
20 with respect to its duties as trustee, each com-  
21 ply on and after January 1, 2007, with the re-  
22 quirements of paragraph (2), except that—

23 “(i) the requirements of clauses (i),  
24 (ii), (vi), and (viii) of paragraph (2)(A)  
25 shall only apply to the institution; and

1                   “(ii) the requirements of clauses (iv)  
2                   and (ix) of paragraph (2)(A) shall not  
3                   apply to either the institution or the eligi-  
4                   ble lender.”.

5           (b) **EFFECTIVE DATE.**—The amendment made by  
6 subsection (a) shall not apply with respect to any loan  
7 under part B of title IV of the Higher Education Act of  
8 1965 (20 U.S.C. 1071 et seq.) disbursed before January  
9 1, 2007.

10 **SEC. 4. HISPANIC-SERVING INSTITUTIONS.**

11           (a) **DEFINITIONAL CHANGES.**—Section 502(a) of the  
12 Higher Education Act of 1965 (20 U.S.C. 1101a(a)) is  
13 amended—

14                   (1) in paragraph (5)—

15                           (A) by inserting “and” after the semicolon  
16                           at the end of subparagraph (A);

17                           (B) in subparagraph (B)—

18                                   (i) by striking “at the time of applica-  
19                                   tion,”; and

20                                   (ii) by inserting “at the end of the  
21                                   award year immediately preceding the date  
22                                   of application” after “Hispanic students”;

23                           (C) by striking “; and” at the end of sub-  
24                           paragraph (B) and inserting a period; and

25                           (D) by striking subparagraph (C); and

1 (2) by striking paragraph (7).

2 (b) WAIT-OUT PERIOD ELIMINATED.—Section  
3 504(a) of such Act (20 U.S.C. 1101e(a)) is amended to  
4 read as follows:

5 “(a) AWARD PERIOD.—The Secretary may award a  
6 grant to a Hispanic-serving institution under this title for  
7 5 years.”.

8 **SEC. 5. GUARANTY AGENCY ACCOUNT MAINTENANCE FEES.**

9 Section 458(b) of the Higher Education Act of 1965  
10 (20 U.S.C. 1087h(b)) is amended by striking “shall not  
11 exceed” and inserting “shall be calculated on”.

12 **SEC. 6. CANCELLATION OF STUDENT LOAN INDEBTEDNESS**

13 **FOR SURVIVORS OF VICTIMS OF THE SEP-**  
14 **TEMBER 11, 2001, ATTACKS.**

15 (a) DEFINITIONS.—For purposes of this section:

16 (1) ELIGIBLE PUBLIC SERVANT.—The term “el-  
17 igible public servant” means an individual who, as  
18 determined in accordance with regulations of the  
19 Secretary—

20 (A) served as a police officer, firefighter,  
21 other safety or rescue personnel, or as a mem-  
22 ber of the Armed Forces; and

23 (B) died (or dies) or became (or becomes)  
24 permanently and totally disabled due to injuries

1           suffered in the terrorist attack on September  
2           11, 2001.

3           (2) ELIGIBLE VICTIM.—The term “eligible vic-  
4           tim” means an individual who, as determined in ac-  
5           cordance with regulations of the Secretary, died (or  
6           dies) or became (or becomes) permanently and to-  
7           tally disabled due to injuries suffered in the terrorist  
8           attack on September 11, 2001.

9           (3) ELIGIBLE PARENT.—The term “eligible  
10          parent” means the parent of an eligible victim if—

11                 (A) the parent owes a Federal student loan  
12                 that is a consolidation loan that was used to  
13                 repay a PLUS loan incurred on behalf of such  
14                 eligible victim; or

15                 (B) the parent owes a Federal student loan  
16                 that is a PLUS loan incurred on behalf of an  
17                 eligible victim.

18          (4) SECRETARY.—The term “Secretary” means  
19          the Secretary of Education.

20          (5) FEDERAL STUDENT LOAN.—The term  
21          “Federal student loan” means any loan made, in-  
22          sured, or guaranteed under part B, D, or E of title  
23          IV of the Higher Education Act of 1965.

24          (b) RELIEF FROM INDEBTEDNESS.—

1           (1) IN GENERAL.—The Secretary shall provide  
2 for the discharge or cancellation of—

3           (A) the Federal student loan indebtedness  
4 of the spouse of an eligible public servant, as  
5 determined in accordance with regulations of  
6 the Secretary, including any consolidation loan  
7 that was used jointly by the eligible public serv-  
8 ant and his or her spouse to repay the Federal  
9 student loans of the spouse and the eligible  
10 public servant;

11           (B) the portion incurred on behalf of the  
12 eligible victim (other than an eligible public  
13 servant), of a Federal student loan that is a  
14 consolidation loan that was used jointly by the  
15 eligible victim and his or her spouse, as deter-  
16 mined in accordance with regulations of the  
17 Secretary, to repay the Federal student loans of  
18 the eligible victim and his or her spouse;

19           (C) the portion of the consolidation loan  
20 indebtedness of an eligible parent that was in-  
21 curred on behalf of an eligible victim; and

22           (D) the PLUS loan indebtedness of an eli-  
23 gible parent that was incurred on behalf of an  
24 eligible victim.

1           (2) METHOD OF DISCHARGE OR CANCELLA-  
2           TION.—A loan required to be discharged or canceled  
3           under paragraph (1) shall be discharged or canceled  
4           by the method used under section 437(a), 455(a)(1),  
5           or 464(c)(1)(F) of the Higher Education Act of  
6           1965 (20 U.S.C. 1087(a), 1087e(a)(1),  
7           1087dd(c)(1)(F)), whichever is applicable to such  
8           loan.

9           (c) FACILITATION OF CLAIMS.—The Secretary  
10 shall—

11           (1) establish procedures for the filing of appli-  
12           cations for discharge or cancellation under this sec-  
13           tion by regulations that shall be prescribed and pub-  
14           lished within 90 days after the date of enactment of  
15           this Act and without regard to the requirements of  
16           section 553 of title 5, United States Code, and sec-  
17           tion 437 of the General Education Provisions Act  
18           (20 U.S.C. 1232); and

19           (2) take such actions as may be necessary to  
20           publicize the availability of discharge or cancellation  
21           of Federal student loan indebtedness under this sec-  
22           tion.

23           (d) AVAILABILITY OF FUNDS FOR PAYMENTS.—  
24 Funds available for the purposes of making payments to  
25 lenders in accordance with section 437(a) for the dis-

1 charge of indebtedness of deceased or disabled individuals  
2 shall be available for making payments under section  
3 437(a) to lenders of loans as required by this section.

4 (e) **APPLICABLE TO OUTSTANDING DEBT.**—The pro-  
5 visions of this section shall be applied to discharge or can-  
6 cel only Federal student loans (including consolidation  
7 loans) on which amounts were owed on September 11,  
8 2001, except that nothing in this section shall be con-  
9 strued to authorize any refunding of any repayment of a  
10 loan.

11 (f) **DEADLINES AND PROCEDURES.**—Sections 482(c)  
12 and 492 of the Higher Education Act of 1965 (20 U.S.C.  
13 1089(c), 1098(a)) shall not apply to any regulations re-  
14 quired by this section.

15 **SEC. 7. RULE OF CONSTRUCTION.**

16 Nothing in this Act, or in the Higher Education Ex-  
17 tension Act of 2005 as amended by this Act, shall be con-  
18 strued to limit or otherwise alter the authorizations of ap-  
19 propriations for, or the durations of, programs contained  
20 in the amendments made by the Higher Education Rec-  
21 onciliation Act of 2005 (Public Law 109–171) to the pro-  
22 visions of the Higher Education Act of 1965 and the Tax-  
23 payer-Teacher Protection Act of 2004.

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