

In the Senate of the United States,

June 23, 2009.

Resolved, That the bill from the House of Representatives (H.R. 1777) entitled “An Act to make technical corrections to the Higher Education Act of 1965, and for other purposes.”, do pass with the following

AMENDMENT:

Strike all after the enacting clause and insert the following:

1 *SECTION 1. TABLE OF CONTENTS.*

2 *The table of contents for this Act is as follows:*

Sec. 1. Table of contents.

Sec. 2. References.

Sec. 3. Effective date.

TITLE I—GENERAL PROVISIONS

Sec. 101. General provisions.

TITLE II—TEACHER QUALITY ENHANCEMENT

Sec. 201. Teacher quality enhancement.

TITLE III—INSTITUTIONAL AID

Sec. 301. Institutional aid.

Sec. 302. Multiagency study of minority science programs.

TITLE IV—STUDENT ASSISTANCE

Sec. 401. Grants to students in attendance at institutions of higher education.

- Sec. 402. Federal Family Education Loan Program.*
Sec. 403. Federal work-study programs.
Sec. 404. Federal Direct Loan Program.
Sec. 405. Federal Perkins Loans.
Sec. 406. Need analysis.
Sec. 407. General provisions of title IV.
Sec. 408. Program integrity.
Sec. 409. Waiver of master calendar and negotiated rulemaking requirements.

TITLE V—DEVELOPING INSTITUTIONS

- Sec. 501. Developing institutions.*

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

- Sec. 601. International education programs.*

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT

- Sec. 701. Graduate and postsecondary improvement programs.*

TITLE VIII—ADDITIONAL PROGRAMS

- Sec. 801. Additional programs.*
Sec. 802. Amendments to other higher education Acts.

1 SEC. 2. REFERENCES.

2 *Except as otherwise expressly provided, whenever in*
3 *this Act an amendment or repeal is expressed in terms of*
4 *an amendment to, or repeal of, a section or other provision,*
5 *the reference shall be considered to be made to a section or*
6 *other provision of the Higher Education Act of 1965 (20*
7 *U.S.C. 1001 et seq.).*

8 SEC. 3. EFFECTIVE DATE.

9 *Except as otherwise provided in this Act, the amend-*
10 *ments made by this Act shall take effect as if enacted on*
11 *the date of enactment of the Higher Education Opportunity*
12 *Act (Public Law 110–315).*

1 **TITLE I—GENERAL PROVISIONS**

2 **SEC. 101. GENERAL PROVISIONS.**

3 (a) *HIGHER EDUCATION OPPORTUNITY ACT.*—

4 (1) *GENERAL DEFINITION OF INSTITUTION OF*
 5 *HIGHER EDUCATION.*—Section 101(b) of the *Higher*
 6 *Education Opportunity Act (Public Law 110–315)* is
 7 *amended by striking “July 1, 2010” and inserting*
 8 *“the date of enactment of this Act”.*

9 (2) *DEFINITION OF INSTITUTION OF HIGHER*
 10 *EDUCATION FOR PURPOSES OF TITLE IV PROGRAMS.*—
 11 *Section 102(e) of the Higher Education Opportunity*
 12 *Act (Public Law 110–315) is amended by striking the*
 13 *period at the end and inserting “, except that, with*
 14 *respect to foreign nursing schools that were eligible to*
 15 *participate in part B of title IV as of the day before*
 16 *the date of enactment of this Act, the amendments*
 17 *made by subsection (a)(1)(D) shall take effect on July*
 18 *1, 2012.”.*

19 (b) *HIGHER EDUCATION ACT OF 1965.*—Title I (20
 20 *U.S.C. 1001 et seq.*) is amended—

21 (1) in section 102(a)(2)(D) (20 U.S.C.
 22 1002(a)(2)(D)), by striking “under part B” and in-
 23 serting “under part B of title IV”;

24 (2) in section 111(b) (20 U.S.C. 1011(b)), by
 25 striking “With” and inserting “with”;

1 (3) in section 131(a)(3)(A)(iii)(I) (20 U.S.C.
 2 1015(a)(3)(A)(iii)(I)), by striking “section
 3 428(a)(2)(C)(i)” and inserting “section
 4 428(a)(2)(C)(ii”;

5 (4) in section 136(d)(1) (20 U.S.C. 1015e(d)(1)),
 6 by striking “(Family Educational Rights and Pri-
 7 vacy Act of 1974)” and inserting “(commonly known
 8 as the ‘Family Educational Rights and Privacy Act
 9 of 1974’)”;

10 (5) in section 141 (20 U.S.C. 1018)—

11 (A) in the matter preceding subparagraph
 12 (A) of subsection (c)(3), by striking “under this
 13 title” and inserting “under title IV”; and

14 (B) in subsection (d)(3), by striking “ap-
 15 propriate committees of Congress” and inserting
 16 “authorizing committees”;

17 (6) in section 153(a)(1)(B)(iii)(V) (20 U.S.C.
 18 1019b(a)(1)(B)(iii)(V)), by striking “borrowers who
 19 take out loans under” each place the term appears
 20 and inserting “borrowers of loans made under”; and

21 (7) in section 155(a) (20 U.S.C. 1019d(a)), by
 22 striking paragraph (4) and inserting the following:

23 “(4) include a place to provide information on—

24 “(A) the applicant’s cost of attendance at
 25 the institution of higher education, as deter-

mined by the institution under part F of title IV;

“(B) the applicant’s estimated financial assistance, including amounts of financial assistance used to replace the expected family contribution, as determined by the institution, in accordance with title IV, for students who have completed the Free Application for Federal Student Aid; and

“(C) the difference between the amounts under subparagraphs (A) and (B), as applicable; and”.

TITLE II—TEACHER QUALITY ENHANCEMENT

SEC. 201. TEACHER QUALITY ENHANCEMENT.

Title II (20 U.S.C. 1021 et seq.) is amended—

(1) in section 200(22) (20 U.S.C. 1021(22)), by striking subparagraph (D) and inserting the following:

“(D) prior to completion of the program—

“(i) attains full State certification or licensure and becomes highly qualified; and

“(ii) acquires a master’s degree not later than 18 months after beginning the program.”;

1 (2) *in section 202 (20 U.S.C. 1022a)—*

2 (A) *in subsection (b)(6)(E)(ii), by striking*
 3 *“section 1111(b)(2)” and inserting “section*
 4 *1111(b)(1)”;*

5 (B) *in subsection (c)(1), by striking “pre-*
 6 *baccalaureate”;*

7 (C) *in subsection (d)—*

8 (i) *in the heading, by striking “PRE-*
 9 *BACCALAUREATE” and inserting “THE”;*
 10 *and*

11 (ii) *in the matter preceding paragraph*
 12 *(1), by striking “An eligible partnership*
 13 *that receives a grant to carry out an effec-*
 14 *tive program for the pre-baccalaureate prep-*
 15 *aration of teachers shall carry out a pro-*
 16 *gram that includes all of the following:”*
 17 *and inserting “An eligible partnership that*
 18 *receives a grant to carry out a program for*
 19 *the preparation of teachers shall carry out*
 20 *an effective pre-baccalaureate teacher prepa-*
 21 *ration program or a 5th year initial licens-*
 22 *ing program that includes all of the fol-*
 23 *lowing:”;*

24 (D) *in subsection (e)(2)—*

1 (i) in subparagraph (A)(ii), by strik-
 2 ing “to earn” and inserting “leading to”;
 3 and
 4 (ii) in subparagraph (C)—
 5 (I) in clause (i), by striking “one-
 6 year” before “teaching residency pro-
 7 gram”; and
 8 (II) in clause (iii)(I), by striking
 9 “one-year”; and
 10 (E) in subsection (i)(3), by striking “con-
 11 sent of” and inserting “consent to”; and
 12 (3) in section 231(a)(1) (20 U.S.C. 1032(a)(1)),
 13 by striking “serve graduate” and inserting “assist in
 14 the graduation of”.

15 **TITLE III—INSTITUTIONAL AID**

16 **SEC. 301. INSTITUTIONAL AID.**

17 Title III (20 U.S.C. 1051 et seq.) is amended—
 18 (1) in section 316 (20 U.S.C. 1059c)—
 19 (A) in subsection (a), by striking “Indian
 20 Tribal” and inserting “Tribal”; and
 21 (B) in subsection (b)—
 22 (i) in paragraph (1), by striking “the
 23 Tribally Controlled College or University
 24 Assistance Act of 1978” and inserting “the

1 *Tribally Controlled Colleges and Univer-*
 2 *sities Assistance Act of 1978”;*

3 (ii) in paragraph (2), by striking “the
 4 *Tribally Controlled College or University*
 5 *Assistance Act of 1978” and inserting “the*
 6 *Tribally Controlled Colleges and Univer-*
 7 *sities Assistance Act of 1978”; and*

8 (iii) in paragraph (3)(A), by striking
 9 “the Navajo Community College Assistance
 10 Act of 1978” and inserting “the Navajo
 11 Community College Act”;

12 (2) in section 318(b)(1) (20 U.S.C. 1059e(b)(1)),
 13 by striking subparagraph (F) and inserting the fol-
 14 lowing:

15 “(F) is not receiving assistance under—

16 “(i) part B;

17 “(ii) part A of title V; or

18 “(iii) an annual authorization of ap-
 19 propriations under the Act of March 2,
 20 1867 (14 Stat. 438; 20 U.S.C. 123).”;

21 (3) in section 323(a) (20 U.S.C. 1062(a)), in the
 22 matter preceding paragraph (1), by striking “in any
 23 fiscal year” and inserting “for any fiscal year,”;

24 (4) in section 324(d) (20 U.S.C. 1063(d))—

1 (A) by redesignating paragraphs (1) and
 2 (2) as subparagraphs (A) and (B), respectively;
 3 (B) by striking “Notwithstanding sub-
 4 sections (a)” and inserting “(1) Notwithstanding
 5 subsections (a)”; and

6 (C) by adding at the end the following:

7 “(2) If the amount appropriated pursuant to section
 8 399(a)(2)(A) for any fiscal year is not sufficient to pay the
 9 minimum allotment required by paragraph (1) to all part
 10 B institutions, the amount of such minimum allotments
 11 shall be ratably reduced. If additional sums become avail-
 12 able for such fiscal year, such reduced allocations shall be
 13 increased on the same basis as the basis on which they were
 14 reduced (until the amount allotted equals the minimum al-
 15 lotment required by paragraph (1)).”;

16 (5) in section 351(a) (20 U.S.C. 1067a(a))—

17 (A) by striking “section 304(a)(1)” and in-
 18 serting “section 303(a)(1)”; and

19 (B) by striking “of 1979”;

20 (6) in section 355(a) (20 U.S.C. 1067e(a)), by
 21 striking “302” and inserting “312”;

22 (7) in section 371(c) (20 U.S.C. 1067q(c))—

23 (A) in paragraph (3)(D), by striking
 24 “402A(g)” and inserting “402A(h)”;

1 (B) in paragraph (4), by striking
2 “402A(g)” and inserting “402A(h)”; and
3 (C) in paragraph (9)—
4 (i) in subparagraph (C)(iii), by strik-
5 ing “402A(g)” and inserting “402A(h)”;
6 and
7 (ii) by amending subparagraph (F) to
8 read as follows:
9 “(F) is not receiving assistance under—
10 “(i) part B;
11 “(ii) part A of title V; or
12 “(iii) an annual authorization of ap-
13 propriations under the Act of March 2,
14 1867 (14 Stat. 438; 20 U.S.C. 123).”; and
15 (8) in section 392(a)(6) (20 U.S.C. 1068a(a)(6)),
16 by striking “College or University” and inserting
17 “Colleges and Universities”.

18 **SEC. 302. MULTIAGENCY STUDY OF MINORITY SCIENCE**
19 **PROGRAMS.**

20 Section 1024 (20 U.S.C. 1067d) is repealed.

21 **TITLE IV—STUDENT ASSISTANCE**

22 **SEC. 401. GRANTS TO STUDENTS IN ATTENDANCE AT INSTI-**
23 **TUTIONS OF HIGHER EDUCATION.**

24 (a) AMENDMENTS.—Part A of title IV (20 U.S.C. 1070
25 et seq.) is amended—

1 (1) in section 400(b) (20 U.S.C. 1070(b)), by
2 striking “1 through 8” and inserting “1 through 9”;

3 (2) in section 401 (20 U.S.C. 1070a)—

4 (A) in the second sentence of subsection
5 (a)(1), by striking “manner,,” and inserting
6 “manner,”;

7 (B) in subsection (b)(1), by striking “sec-
8 tion 401” and inserting “this section”; and

9 (C) in subsection (b)(9)(A)—

10 (i) in clause (vi), by striking
11 “\$105,000,000” and inserting
12 “\$258,000,000”; and

13 (ii) in clause (viii), by striking
14 “\$4,400,000,000” and inserting
15 “\$4,452,000,000”;

16 (3) by striking paragraph (4) of section 401(f)
17 (20 U.S.C. 1070a(f)), as added by section 401(c) of
18 the Higher Education Opportunity Act (Public Law
19 110–315);

20 (4) in section 402A (20 U.S.C. 1070a–11)—

21 (A) in subsection (b)(1), by striking “orga-
22 nizations including” and inserting “organiza-
23 tions, including”; and

24 (B) in subsection (c)(8)(C)(iv)(I), by insert-
25 ing “to be” after “determined”;

1 (5) in section 402E(d)(2)(C) (20 U.S.C. 1070a–
2 15(d)(2)(C)), by striking “320.” and inserting “320”;

3 (6) in section 415E(b)(1)(B) (20 U.S.C. 1070c–
4 3a(b)(1)(B))—

5 (A) in clause (i), by striking “If a” and in-
6 serting “Except as provided in clause (ii), if a”;

7 (B) by redesignating clause (ii) as clause
8 (iii); and

9 (C) by inserting after clause (i) (as amend-
10 ed by subparagraph (A)) the following:

11 “(ii) SPECIAL CONTINUATION AND
12 TRANSITION RULE.—If a State that applied
13 for and received an allotment under this
14 section for fiscal year 2010 pursuant to sub-
15 section (j) meets the specifications estab-
16 lished in the State’s application under sub-
17 section (c) for fiscal year 2011, then the
18 Secretary shall make an allotment to such
19 State for fiscal year 2011 that is not less
20 than the allotment made pursuant to sub-
21 section (j) to such State for fiscal year 2010
22 under this section (as this section was in ef-
23 fect on the day before the date of enactment
24 of the Higher Education Opportunity Act
25 (Public Law 110–315)).”;

1 (7) *in section 419C(b)(1) (20 U.S.C. 1070d–*
 2 *33(b)(1)), by inserting “and” after the semicolon at*
 3 *the end;*

4 (8) *in section 419D(d) (20 U.S.C. 1070d–34(d)),*
 5 *by striking “1134” and inserting “134”; and*

6 (9) *by adding at the end the following:*

7 **“Subpart 10—Scholarships for Veteran’s Dependents**

8 **“SEC. 420R. SCHOLARSHIPS FOR VETERAN’S DEPENDENTS.**

9 “(a) *DEFINITION OF ELIGIBLE VETERAN’S DEPEND-*
 10 *ENT.—The term ‘eligible veteran’s dependent’ means a de-*
 11 *pendent or an independent student—*

12 “(1) *whose parent or guardian was a member of*
 13 *the Armed Forces of the United States and died as a*
 14 *result of performing military service in Iraq or Af-*
 15 *ghanistan after September 11, 2001; and*

16 “(2) *who, at the time of the parent or guardian’s*
 17 *death, was—*

18 “(A) *less than 24 years of age; or*

19 “(B) *enrolled at an institution of higher*
 20 *education on a part-time or full-time basis.*

21 “(b) *GRANTS.—*

22 “(1) *IN GENERAL.—The Secretary shall award a*
 23 *grant to each eligible veteran’s dependent to assist in*
 24 *paying the eligible veteran’s dependent’s cost of at-*
 25 *tendance at an institution of higher education.*

1 “(2) *DESIGNATION.*—*Grants made under this*
 2 *section shall be known as ‘Iraq and Afghanistan Serv-*
 3 *ice Grants’.*

4 “(c) *PREVENTION OF DOUBLE BENEFITS.*—*No eligible*
 5 *veteran’s dependent may receive a grant under both this*
 6 *section and section 401.*

7 “(d) *TERMS AND CONDITIONS.*—*The Secretary shall*
 8 *award grants under this section in the same manner, and*
 9 *with the same terms and conditions, including the length*
 10 *of the period of eligibility, as the Secretary awards Federal*
 11 *Pell Grants under section 401, except that—*

12 “(1) *the award rules and determination of need*
 13 *applicable to the calculation of Federal Pell Grants,*
 14 *shall not apply to grants made under this section;*

15 “(2) *the provisions of subsection (a)(3), sub-*
 16 *section (b)(1), the matter following subsection*
 17 *(b)(2)(A)(v), subsection (b)(3), and subsection (f), of*
 18 *section 401 shall not apply; and*

19 “(3) *a grant made under this section to an eligi-*
 20 *ble veteran’s dependent for any award year shall*
 21 *equal the maximum Federal Pell Grant available for*
 22 *that award year, except that such a grant under this*
 23 *section—*

1 “(A) shall not exceed the cost of attendance
2 of the eligible veteran’s dependent for that award
3 year; and

4 “(B) shall be adjusted to reflect the attend-
5 ance by the eligible veteran’s dependent on a less
6 than full-time basis in the same manner as such
7 adjustments are made under section 401.

8 “(e) *ESTIMATED FINANCIAL ASSISTANCE*.—For pur-
9 poses of determinations of need under part F, a grant
10 awarded under this section shall not be treated as estimated
11 financial assistance as described in sections 471(3) and
12 480(j).

13 “(f) *AUTHORIZATION AND APPROPRIATIONS OF*
14 *FUNDS*.—There are authorized to be appropriated, and
15 there are appropriated, out of any money in the Treasury
16 not otherwise appropriated, for the Secretary to carry out
17 this section, such sums as may be necessary for fiscal year
18 2010 and each succeeding fiscal year.”.

19 “(b) *EFFECTIVE DATE*.—The amendment made by sub-
20 section (a)(9) shall take effect on July 1, 2010.

21 “(c) *HIGHER EDUCATION OPPORTUNITY ACT*.—Section
22 404 of the Higher Education Opportunity Act (Public Law
23 110–315) is amended by adding at the end the following
24 new subsection:

25 “(i) *EFFECTIVE DATE; TRANSITION*.—

1 “(1) *IN GENERAL.*—*The amendments made by*
 2 *subsection (e) shall apply to grants made under chap-*
 3 *ter 2 of subpart 2 of part A of title IV of the Higher*
 4 *Education Act of 1965 (20 U.S.C. 1070a–21 et seq.)*
 5 *on or after the date of enactment of this Act, except*
 6 *that a recipient of a grant under such chapter that*
 7 *is made prior to such date may elect to apply the re-*
 8 *quirements contained in the amendments made by*
 9 *subsection (e) to that grant if the grant recipient in-*
 10 *forms the Secretary of the election.*

11 “(2) *SPECIAL RULE.*—*A grant recipient may*
 12 *make the election described in paragraph (1) only if*
 13 *the election does not decrease the amount of the schol-*
 14 *arship promised to an individual student under the*
 15 *grant.”.*

16 **SEC. 402. FEDERAL FAMILY EDUCATION LOAN PROGRAM.**

17 (a) *AMENDMENT TO PROVISION AMENDED BY THE*
 18 *COLLEGE COST REDUCTION AND ACCESS ACT.*—

19 (1) *IN GENERAL.*—*Section 428(b)(1)(G)(i) (20*
 20 *U.S.C. 1078(b)(1)(G)(i)), as amended by section 303*
 21 *of the College Cost Reduction and Access Act (Public*
 22 *Law 110–84), is amended by striking “or 439(q)”.*

23 (2) *EFFECTIVE DATE.*—*The amendment made by*
 24 *paragraph (1) shall be effective as if enacted as part*
 25 *of the amendment in section 303(a) of the College*

1 *Cost Reduction and Access Act (Public Law 110–84),*
 2 *shall take effect on October 1, 2012, and shall apply*
 3 *with respect to loans made on or after such date.*

4 **(b) ENTRANCE COUNSELING FUNCTIONS.—**

5 **(1) GUARANTY AGENCIES.—***Section 428(b)(3) (20*
 6 *U.S.C. 1078(b)(3)) is amended—*

7 **(A)** *in subparagraph (C), by inserting “or*
 8 *485(l)” after “section 485(b)”;* and

9 **(B)** *in subparagraph (D), by inserting “or*
 10 *485(l)” after “section 485(b)”.*

11 **(2) ELIGIBLE LENDERS.—***Section 435(d)(5) (20*
 12 *U.S.C. 1085(d)(5)) is amended—*

13 **(A)** *in subparagraph (E), by inserting “or*
 14 *485(l)” after “section 485(b)”;* and

15 **(B)** *in subparagraph (F), by inserting “or*
 16 *485(l)” after “section 485(b)”.*

17 **(c) AMENDMENT TO PROVISION AMENDED BY THE**
 18 **HIGHER EDUCATION OPPORTUNITY ACT.—**

19 **(1) IN GENERAL.—***Section 428C(c)(3)(A) (20*
 20 *U.S.C. 1078–3(c)(3)(A)), as amended by section 425*
 21 *of the Higher Education Opportunity Act (Public*
 22 *Law 110–315), is amended by striking “section*
 23 *493C” and inserting “section 493C.”*

24 **(2) EFFECTIVE DATE.—***The amendment made by*
 25 *paragraph (1) shall be effective as if enacted as part*

1 *of the amendments in section 425(d)(1) of the Higher*
 2 *Education Opportunity Act (Public Law 110–315),*
 3 *and shall take effect on July 1, 2009.*

4 *(d) REHABILITATION OF STUDENT LOANS.—*

5 *(1) Section 428F (20 U.S.C. 1078–6) is amend-*
 6 *ed—*

7 *(A) in subsection (a)—*

8 *(i) by amending paragraph (1) to read*
 9 *as follows:*

10 “*(1) SALE OR ASSIGNMENT OF LOAN.—*

11 “*(A) IN GENERAL.—Each guaranty agency,*
 12 *upon securing 9 payments made within 20 days*
 13 *of the due date during 10 consecutive months of*
 14 *amounts owed on a loan for which the Secretary*
 15 *has made a payment under paragraph (1) of sec-*
 16 *tion 428(c), shall—*

17 “*(i) if practicable, sell the loan to an*
 18 *eligible lender; or*

19 “*(ii) on or before September 30, 2011,*
 20 *assign the loan to the Secretary if—*

21 “*(I) the Secretary has determined*
 22 *that market conditions unduly limit a*
 23 *guaranty agency’s ability to sell loans*
 24 *under clause (i); and*

1 “(II) the guaranty agency has
2 been unable to sell loans under clause
3 (i).

4 “(B) MONTHLY PAYMENTS.—Neither the
5 guaranty agency nor the Secretary shall demand
6 from a borrower as monthly payment amounts
7 described in subparagraph (A) more than is rea-
8 sonable and affordable based on the borrower’s
9 total financial circumstances.

10 “(C) CONSUMER REPORTING AGENCIES.—
11 Upon the sale or assignment of the loan, the Sec-
12 retary, guaranty agency or other holder of the
13 loan shall request any consumer reporting agen-
14 cy to which the Secretary, guaranty agency or
15 holder, as applicable, reported the default of the
16 loan, to remove the record of the default from the
17 borrower’s credit history.

18 “(D) DUTIES UPON SALE.—With respect to
19 a loan sold under subparagraph (A)(i)—

20 “(i) the guaranty agency—

21 “(I) shall repay the Secretary
22 81.5 percent of the amount of the prin-
23 cipal balance outstanding at the time
24 of such sale, multiplied by the reinsur-
25 ance percentage in effect when pay-

1 *ment under the guaranty agreement*
 2 *was made with respect to the loan; and*

3 “(II) *may, in order to defray col-*
 4 *lection costs—*

5 “(aa) *charge to the borrower*
 6 *an amount not to exceed 18.5 per-*
 7 *cent of the outstanding principal*
 8 *and interest at the time of the*
 9 *loan sale; and*

10 “(bb) *retain such amount*
 11 *from the proceeds of the loan sale;*
 12 *and*

13 “(ii) *the Secretary shall reinstate the*
 14 *Secretary’s obligation to—*

15 “(I) *reimburse the guaranty agen-*
 16 *cy for the amount that the agency*
 17 *may, in the future, expend to discharge*
 18 *the guaranty agency’s insurance obli-*
 19 *gation; and*

20 “(II) *pay to the holder of such*
 21 *loan a special allowance pursuant to*
 22 *section 438.*

23 “(E) *DUTIES UPON ASSIGNMENT.—With re-*
 24 *spect to a loan assigned under subparagraph*
 25 *(A)(ii)—*

1 “(i) the guaranty agency shall add to
 2 the principal and interest outstanding at
 3 the time of the assignment of such loan an
 4 amount equal to the amount described in
 5 subparagraph (D)(i)(II)(aa); and

6 “(ii) the Secretary shall pay the guar-
 7 anty agency, for deposit in the agency’s Op-
 8 erating Fund established pursuant to sec-
 9 tion 422B, an amount equal to the amount
 10 added to the principal and interest out-
 11 standing at the time of the assignment in
 12 accordance with clause (i).

13 “(F) *ELIGIBLE LENDER LIMITATION.*—A
 14 loan shall not be sold to an eligible lender under
 15 subparagraph (A)(i) if such lender has been
 16 found by the guaranty agency or the Secretary
 17 to have substantially failed to exercise the due
 18 diligence required of lenders under this part.

19 “(G) *DEFAULT DUE TO ERROR.*—A loan
 20 that does not meet the requirements of subpara-
 21 graph (A) may also be eligible for sale or assign-
 22 ment under this paragraph upon a determina-
 23 tion that the loan was in default due to clerical
 24 or data processing error and would not, in the
 25 absence of such error, be in a delinquent status.”;

1 (ii) in paragraph (2)—

2 (I) by striking “paragraph (1) of
3 this subsection” and inserting “para-
4 graph (1)(A)(i)”; and

5 (II) by striking “paragraph
6 (1)(B)(ii) of this subsection” and in-
7 serting “paragraph (1)(D)(ii)(I);

8 (iii) in paragraph (3)—

9 (I) by striking “sold under para-
10 graph (2)” and inserting “sold or as-
11 signed under paragraph (1)(A)”; and

12 (II) by striking “sale.” and in-
13 serting “sale or assignment.”;

14 (iv) in paragraph (4), by striking
15 “which is sold under paragraph (1) of this
16 subsection” and inserting “that is sold or
17 assigned under paragraph (1)”; and

18 (v) in paragraph (5), by inserting
19 “(whether by loan sale or assignment)”
20 after “rehabilitating a loan”; and

21 (B) in subsection (b), in the first sentence,
22 by inserting “or assigned to the Secretary” after
23 “sold to an eligible lender”.

24 (2) *EFFECTIVE DATE.*—The amendments made
25 by paragraph (1) shall be effective on the date of en-

1 *actment of this Act, and shall apply to any loan on*
 2 *which monthly payments described in section*
 3 *428F(a)(1)(A) were paid before, on, or after such date*
 4 *of enactment.*

5 *(e) REPAYMENT IN FULL FOR DEATH AND DIS-*
 6 *ABILITY.—*

7 *(1) IN GENERAL.—Section 437(a)(1) (20 U.S.C.*
 8 *1087(a)(1)), as amended by section 437 of the Higher*
 9 *Education Opportunity Act (Public Law 110–315), is*
 10 *amended—*

11 *(A) in the matter preceding subparagraph*
 12 *(A), by striking “Secretary),, or if” and insert-*
 13 *ing “Secretary), or if”; and*

14 *(B) in subparagraph (B), by inserting “the*
 15 *reinstatement and resumption to be” after “de-*
 16 *termines”.*

17 *(2) EFFECTIVE DATE.—The amendments made*
 18 *by paragraph (1) shall be effective as if enacted as*
 19 *part of the amendments in section 437(a) of the High-*
 20 *er Education Opportunity Act (Public Law 110–315),*
 21 *and shall take effect on July 1, 2010.*

22 *(f) OTHER AMENDMENTS.—Part B of title IV (20*
 23 *U.S.C. 1071 et seq.) is further amended—*

24 *(1) in section 428 (20 U.S.C. 1078)—*

1 (A) in subsection (a)(2)(A)(i)(II), by strik-
 2 ing “and” after the semicolon at the end;

3 (B) in subsection (b)—

4 (i) in the matter following subclause
 5 (II) of paragraph (1)(M)(i), by inserting
 6 “section” before “428B”;

7 (ii) in paragraph (3)(A)(i), by striking
 8 “any institution of higher education or the
 9 employees of an institution of higher edu-
 10 cation” and inserting “any institution of
 11 higher education, any employee of an insti-
 12 tution of higher education, or any indi-
 13 vidual or entity”;

14 (iii) in paragraph (4), by striking
 15 “For the purpose of paragraph
 16 (1)(M)(i)(III) of this subsection,” and in-
 17 serting “With respect to the graduate fellow-
 18 ship program referred to in paragraph
 19 (1)(M)(i)(II),”; and

20 (iv) in paragraph (7)—

21 (I) in subparagraph (B), by strik-
 22 ing “clause (i) or (ii) of”; and

23 (II) in subparagraph (D), by
 24 striking “subparagraph (A)(i)” and
 25 inserting “subparagraph (A)”; and

1 (C) in subsection (c)(9)(K), by striking “3
2 months” and inserting “6 months”;

3 (2) in section 428B(e) (20 U.S.C. 1078–2(e))—

4 (A) in paragraph (3)(B), by striking “sub-
5 section (c)(5)(B)” and inserting “subsection
6 (d)(5)(B)”; and

7 (B) by repealing paragraph (5);

8 (3) in section 428C (20 U.S.C. 1078–3)—

9 (A) in subsection (a)(4)(E), by striking
10 “subpart II of part B” and inserting “part E”;

11 (B) in the matter preceding clause (i) of
12 subsection (c)(2)(A)—

13 (i) by striking “subsection (b)(2)(F)”

14 and inserting “subsection (b)(2)”; and

15 (ii) by inserting a comma after “grad-
16 uated”;

17 (C) in subsection (d)(3)(D), by striking
18 “loan insurance fund” and inserting “loan in-
19 surance account”; and

20 (D) in subsection (f)(3), by striking “sub-
21 section (a)” and inserting “this subsection”;

22 (4) in section 428G(c) (20 U.S.C. 1078–7(c))—

23 (A) in paragraph (1), by striking “section
24 428(a)(2)(A)(i)(III)” and inserting “section
25 428(a)(2)(A)(i)(II)”; and

1 (B) by striking paragraph (3) and inserting
2 the following:

3 “(3) notwithstanding subsection (a)(2), may,
4 with the permission of the borrower, be disbursed by
5 the lender on a weekly or monthly basis, provided
6 that the proceeds of the loan are disbursed by the
7 lender in substantially equal weekly or monthly in-
8 stallments, as the case may be, over the period of en-
9 rollment for which the loan is made.”;

10 (5) in section 428H (20 U.S.C. 1078–8)—

11 (A) in subsection (d), by amending the text
12 of the header of paragraph (2) to read as follows:

13 “LIMITS FOR GRADUATE, PROFESSIONAL, AND
14 INDEPENDENT POSTBACCALAUREATE STUDENTS”;

15 and

16 (B) in subsection (e), by amending para-
17 graph (6) to read as follows:

18 “(6) REPAYMENT PERIOD.—For purposes of cal-
19 culating the repayment period under section
20 428(b)(9), such period shall commence at the time the
21 first payment of principal is due from the borrower.”;

22 (6) in section 428J (20 U.S.C. 1078–10)—

23 (A) in subsection (c)(1), by adding at the
24 end the following: “No borrower may receive a

1 *reduction of loan obligations under both this sec-*
 2 *tion and section 460.”; and*

3 *(B) in subsection (g)(2)—*

4 *(i) in subparagraph (B), by inserting*
 5 *“or” after the semicolon at the end;*

6 *(ii) by striking subparagraph (C);*

7 *(iii) by redesignating subparagraph*
 8 *(D) as subparagraph (C); and*

9 *(iv) in subparagraph (C), as redesign-*
 10 *ated by clause (iii), by striking “12571”*
 11 *and inserting “12601”;*

12 *(7) in section 428K(g)(9)(B) (20 U.S.C. 1078–*
 13 *11(g)(9)(B)), by striking “under subsection (ll)(3) of*
 14 *such section (42 U.S.C. 1395x(ll)(3))” and inserting*
 15 *“under subsection (ll)(4) of such section (42 U.S.C.*
 16 *1395x(ll)(4))”;*

17 *(8) in section 430A(f) (20 U.S.C. 1080a(f))—*

18 *(A) by striking “and (6)” and inserting*
 19 *“and (5)”;* *and*

20 *(B) by striking “(a)(6)” and inserting*
 21 *“(a)(5)”;*

22 *(9) in section 432 (20 U.S.C. 1082)—*

23 *(A) in subsection (b), by striking “section*
 24 *1078 of this title” and inserting “section 428”;*

25 *and*

1 *(B) in subsection (m)(1)(B)—*

2 *(i) in clause (i), by inserting “and”*

3 *after the semicolon at the end; and*

4 *(ii) in clause (ii), by striking “; and”*

5 *and inserting a period;*

6 *(10) in section 435 (20 U.S.C. 1085)—*

7 *(A) in subsection (a)(2)(C)(ii), by striking*

8 *“a tribally controlled community college within*

9 *the meaning of section 2(a)(4) of the Tribally*

10 *Controlled Community College Assistance Act of*

11 *1978” and inserting “a tribally controlled college*

12 *or university, as defined in section 2(a)(4) of the*

13 *Tribally Controlled Colleges and Universities As-*

14 *sistance Act of 1978”;*

15 *(B) in subsection (d)—*

16 *(i) in paragraph (1)—*

17 *(I) in subparagraph (A)(ii)(III),*

18 *by striking “section 501(1) of such*

19 *Code” and inserting “section 501(a) of*

20 *such Code”; and*

21 *(II) in subparagraph (G), by*

22 *striking “sections 428A(d), 428B(d),*

23 *and 428C,” and inserting “sections*

24 *428B(d) and 428C,”;*

1 (ii) in paragraph (2)(A)(vi), by strik-
 2 ing “section 435(m)” and inserting “sub-
 3 section (m)”;

4 (iii) in paragraph (3), by striking
 5 “section 435(m)” and inserting “subsection
 6 (m)”; and

7 (iv) in paragraph (5)(A), by striking
 8 “to any institution of higher education or
 9 any employee of an institution of higher
 10 education in order to secure applicants for
 11 loans under this part” and inserting “to
 12 any institution of higher education, any
 13 employee of an institution of higher edu-
 14 cation, or any individual or entity in order
 15 to secure applicants for loans under this
 16 part”;

17 (C) in subsection (o)(1)(A)(ii), by striking
 18 “Service” and inserting “Services”; and

19 (D) in subsection (p)(1), by striking “sec-
 20 tion 771” and inserting “section 781”; and

21 (11) in section 438(b)(2) (20 U.S.C. 1087–
 22 1(b)(2))—

23 (A) in the second sentence of subparagraph
 24 (A), by striking “427A(f)” and inserting
 25 “427A(i)”;

1 (B) in the first sentence of subparagraph
 2 (B)(i), by striking “1954” and inserting “1986”;
 3 and
 4 (C) in the second sentence of subparagraph
 5 (F), by striking “427A(f)” and inserting
 6 “427A(i)”.

7 **SEC. 403. FEDERAL WORK-STUDY PROGRAMS.**

8 Section 443 (42 U.S.C. 2753) is amended—

9 (1) in subsection (b)(2), by striking “section
 10 443” and inserting “this section”;
 11 (2) in subsection (d)(1), by striking “subsection
 12 (b)(2)(B)” and inserting “subsection (b)(2)(A)”; and
 13 (3) in subsection (e)(1), in the matter preceding
 14 subparagraph (A), by striking “in accordance with
 15 such subsection”.

16 **SEC. 404. FEDERAL DIRECT LOAN PROGRAM.**

17 (a) TEMPORARY AUTHORITY TO PURCHASE LOANS.—

18 Section 459A (20 U.S.C. 1087i–1) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (2), in the matter pre-
 21 ceding subparagraph (A), by striking “purchase
 22 of loans under this section” and inserting “pur-
 23 chase of loans under paragraph (1)”; and

24 (B) by inserting after paragraph (2) the fol-
 25 lowing new paragraph:

1 “(3) *TEMPORARY AUTHORITY TO PURCHASE RE-*
2 *HABILITATED LOANS.*—

3 “(A) *AUTHORITY.*—*In addition to the au-*
4 *thority described in paragraph (1), the Sec-*
5 *retary, in consultation with the Secretary of the*
6 *Treasury, is authorized to purchase, or enter into*
7 *forward commitments to purchase, from any eli-*
8 *gible lender (as defined in section 435(d)(1)),*
9 *loans that such lender purchased under section*
10 *428F on or after October 1, 2003, and before*
11 *July 1, 2010, and that are not in default, on*
12 *such terms as the Secretary, the Secretary of the*
13 *Treasury, and the Director of the Office of Man-*
14 *agement and Budget jointly determine are in the*
15 *best interest of the United States, except that any*
16 *purchase under this paragraph shall not result*
17 *in any net cost to the Federal Government (in-*
18 *cluding the cost of servicing the loans pur-*
19 *chased), as determined jointly by the Secretary,*
20 *the Secretary of the Treasury, and the Director*
21 *of the Office of Management and Budget.*

22 “(B) *FEDERAL REGISTER NOTICE.*—*The*
23 *Secretary, the Secretary of the Treasury, and the*
24 *Director of the Office of Management and Budget*
25 *shall jointly publish a notice in the Federal Reg-*

1 *ister prior to any purchase of loans under this*
 2 *paragraph that—*

3 *“(i) establishes the terms and condi-*
 4 *tions governing the purchases authorized by*
 5 *this paragraph;*

6 *“(ii) includes an outline of the method-*
 7 *ology and factors that the Secretary, the*
 8 *Secretary of the Treasury, and the Director*
 9 *of the Office of Management and Budget*
 10 *will jointly consider in evaluating the price*
 11 *at which to purchase loans rehabilitated*
 12 *pursuant to section 428F(a); and*

13 *“(iii) describes how the use of such*
 14 *methodology and consideration of such fac-*
 15 *tors used to determine purchase price will*
 16 *ensure that loan purchases do not result in*
 17 *any net cost to the Federal Government (in-*
 18 *cluding the cost of servicing the loans pur-*
 19 *chased).”; and*

20 *(2) by amending subsection (b) to read as fol-*
 21 *lows:*

22 *“(b) PROCEEDS.—The Secretary shall require, as a*
 23 *condition of any purchase under subsection (a), that the*
 24 *funds paid by the Secretary to any eligible lender under*
 25 *this section be used—*

1 “(1) to ensure continued participation of such
2 lender in the Federal student loan programs author-
3 ized under part B of this title; and

4 “(2)(A) in the case of loans purchased pursuant
5 to subsection (a)(1), to originate new Federal loans to
6 students, as authorized under part B of this title; or

7 “(B) in the case of loans purchased pursuant to
8 subsection (a)(3), to originate such new Federal loans
9 to students, or to purchase loans in accordance with
10 section 428F(a).”.

11 (b) *OTHER AMENDMENTS.*—Part D of title IV (20
12 *U.S.C. 1087a et seq.*) is amended—

13 (1) by repealing paragraph (3) of section 453(c)
14 (20 *U.S.C. 1087c(c)*);

15 (2) in section 455 (20 *U.S.C. 1087e*)—

16 (A) in subsection (d)(1)(C), by striking
17 “428(b)(9)(A)(v)” and inserting
18 “428(b)(9)(A)(iv)”;

19 (B) in subsection (h), by striking “(except
20 as authorized under section 457(a)(1))”; and

21 (C) in subsection (k)(1)(B), by striking “,
22 or in a notice under section 457(a)(1),”;

23 (3) by repealing section 457 (20 *U.S.C. 1087g*);

24 and

25 (4) in section 460 (20 *U.S.C. 1087j*)—

(A) in subsection (c)(1), by adding at the end the following: “No borrower may receive a reduction of loan obligations under both this section and section 428J.”; and

(B) in subsection (g)(2)—

(i) by striking subparagraph (A);

(ii) by redesignating subparagraphs (B) through (D) as subparagraphs (A) through (C), respectively; and

(iii) in subparagraph (C), as redesignated by clause (ii), by striking “12571” and inserting “12601”.

SEC. 405. FEDERAL PERKINS LOANS.

Part E of title IV (20 U.S.C. 1087aa et seq.) is amended—

(1) in section 462(a)(1) (20 U.S.C. 1087bb(a)(1)), by striking subparagraph (A) and inserting the following:

“(A) 100 percent of the amount received under subsections (a) and (b) of this section for fiscal year 1999 (as such subsections were in effect with respect to allocations for such fiscal year), multiplied by”;

(2) in section 463(c) (20 U.S.C. 1087cc(c))—

(A) in paragraph (2)—

- 1 (i) by moving the margins of subpara-
- 2 graph (A) 2 ems to the left; and
- 3 (ii) by striking subparagraph (B) and
- 4 inserting the following:
- 5 “(B) information concerning the repayment and
- 6 collection of any such loan, including information
- 7 concerning the status of such loan; and”; and
- 8 (B) in paragraph (3)—
- 9 (i) by striking “and (6)” and inserting
- 10 “and (5)”; and
- 11 (ii) by striking “(a)(6)” and inserting
- 12 “(a)(5)”;
- 13 (3) in the first sentence of the matter preceding
- 14 paragraph (1) of section 463A(a) (20 U.S.C. 1087cc–
- 15 1(a)), by striking “, in order to carry out the provi-
- 16 sions of section 463(a)(8),”;
- 17 (4) in section 464 (20 U.S.C. 1087dd)—
- 18 (A) in subsection (c)—
- 19 (i) in paragraph (1)(D)—
- 20 (I) by striking “(I)” and inserting
- 21 “(i)”; and
- 22 (II) by striking “(II)” and insert-
- 23 ing “(ii)”; and
- 24 (ii) in paragraph (2)(A)(iii)—

1 (I) by aligning the margin of the
2 matter preceding subclause (I) with the
3 margins of clause (ii);

4 (II) by aligning the margins of
5 subclauses (I) and (II) with the mar-
6 gins of clause (i)(I); and

7 (III) by aligning the margins of
8 the matter following subclause (II)
9 with the margins of the matter fol-
10 lowing subclause (II) of clause (i); and

11 (B) in subsection (g)(5), by striking “credit
12 bureaus” and inserting “consumer reporting
13 agencies”;

14 (5) in section 465(a)(6) (20 U.S.C.
15 1087ee(a)(6)), by striking “12571” and inserting
16 “12601”;

17 (6) in section 467(b) (20 U.S.C. 1087gg(b)), by
18 striking “paragraph (5)(A), (5)(B)(i), or (6)” and in-
19 serting “paragraph (4) or (5)”; and

20 (7) in section 469(c) (20 U.S.C. 1087ii(c)), by
21 striking “and the term” and all that follows through
22 the period at the end and inserting “and the term
23 ‘early intervention services’ has the meaning given the
24 term in section 632 of such Act.”.

1 **SEC. 406. NEED ANALYSIS.**

2 (a) *AMENDMENTS.*—*Part F of title IV (20 U.S.C.*
 3 *1087kk et seq.) is amended—*

4 (1) *in section 473 (20 U.S.C. 1087mm)—*

5 (A) *by striking “For the purpose of this*
 6 *title, except subpart 2 of part A,” and inserting*
 7 *“(a) IN GENERAL.—For the purpose of this title,*
 8 *other than subpart 2 of part A, and except as*
 9 *provided in subsection (b),”; and*

10 (B) *by adding at the end the following:*

11 “(b) *SPECIAL RULE.*—

12 “(1) *IN GENERAL.*—*Notwithstanding any other*
 13 *provision of this title, the family contribution of each*
 14 *student described in paragraph (2) shall be deemed to*
 15 *be zero for the academic year for which the deter-*
 16 *mination is made.*

17 “(2) *APPLICABILITY.*—*Paragraph (1) shall apply*
 18 *to any dependent or independent student with respect*
 19 *to determinations of need for academic year 2009–*
 20 *2010 and succeeding academic years—*

21 “(A) *who is eligible to receive a Federal Pell*
 22 *Grant for the academic year for which the deter-*
 23 *mination is made;*

24 “(B) *whose parent or guardian was a mem-*
 25 *ber of the Armed Forces of the United States and*
 26 *died as a result of performing military service in*

1 *Iraq or Afghanistan after September 11, 2001;*
 2 *and*

3 “(C) *who, at the time of the parent or*
 4 *guardian’s death, was—*

5 “(i) *less than 24 years of age; or*

6 “(ii) *enrolled at an institution of high-*
 7 *er education on a part-time or full-time*
 8 *basis.*

9 “(3) *INFORMATION.—Notwithstanding any other*
 10 *provision of law, the Secretary of Veterans Affairs*
 11 *and the Secretary of Defense, as appropriate, shall*
 12 *provide the Secretary of Education with information*
 13 *necessary to determine which students meet the re-*
 14 *quirements of paragraph (2).”;*

15 (2) *in section 475(c)(5)(B) (20 U.S.C.*
 16 *1087oo(c)(5)(B)), by inserting “of 1986” after*
 17 *“Code”;*

18 (3) *in section 477(b)(5)(B) (20 U.S.C.*
 19 *1087qq(b)(5)(B)), by inserting “of 1986” after*
 20 *“Code”;*

21 (4) *in section 479 (20 U.S.C. 1087ss)—*

22 (A) *in subsection (b) (as amended by sec-*
 23 *tion 602 of the College Cost Reduction and Ac-*
 24 *cess Act (Public Law 110–84))—*

1 (i) in paragraph (1)(A)(i), by amend-
2 ing subclause (III) to read as follows:

3 “(III) include at least one parent
4 who is a dislocated worker; or”; and

5 (ii) in paragraph (1)(B)(i), by amend-
6 ing subclause (III) to read as follows:

7 “(III) is a dislocated worker or
8 has a spouse who is a dislocated work-
9 er; or”; and

10 (B) in subsection (c) (as amended by such
11 section 602)—

12 (i) in paragraph (1)(A), by amending
13 clause (iii) to read as follows:

14 “(iii) include at least one parent who
15 is a dislocated worker; or”; and

16 (ii) in paragraph (2)(A), by amending
17 clause (iii) to read as follows:

18 “(iii) is a dislocated worker or has a
19 spouse who is a dislocated worker; or”;

20 (5) in section 479C (20 U.S.C. 1087uu-1)—

21 (A) in paragraph (1), by striking “under”
22 and all that follows through “; and” and insert-
23 ing “under Public Law 98-64 (25 U.S.C. 117a
24 et seq.; 97 Stat. 365) (commonly known as the
25 ‘Per Capita Act’) or the Indian Tribal Judgment

1 *Funds Use or Distribution Act (25 U.S.C. 1401*
 2 *et seq.); and”; and*

3 *(B) in paragraph (2)—*

4 *(i) by striking “Alaskan” and insert-*
 5 *ing “Alaska”;*

6 *(ii) by inserting “(43 U.S.C. 1601 et*
 7 *seq.)” before “or the”; and*

8 *(iii) by inserting “of 1980 (25 U.S.C.*
 9 *1721 et seq.)” after “Maine Indian Claims*
 10 *Settlement Act”;*

11 *(6) in section 480(a)(2) (20 U.S.C.*
 12 *1087vv(a)(2)), by striking “12571” and inserting*
 13 *“12511”;*

14 *(7) in section 480(c)(2) (20 U.S.C.*
 15 *1087vv(c)(2))—*

16 *(A) in the matter preceding subparagraph*
 17 *(A), by striking “the following” and inserting*
 18 *“benefits under the following provisions of law”;*
 19 *and*

20 *(B) by striking subparagraphs (A) through*
 21 *(J) and inserting the following:*

22 *“(A) Chapter 103 of title 10, United States Code*
 23 *(Senior Reserve Officers’ Training Corps).*

1 “(B) Chapter 106A of title 10, United States
2 Code (Educational Assistance for Persons Enlisting
3 for Active Duty).

4 “(C) Chapter 1606 of title 10, United States
5 Code (Selected Reserve Educational Assistance Pro-
6 gram).

7 “(D) Chapter 1607 of title 10, United States
8 Code (Educational Assistance Program for Reserve
9 Component Members Supporting Contingency Oper-
10 ations and Certain Other Operations).

11 “(E) Chapter 30 of title 38, United States Code
12 (All-Volunteer Force Educational Assistance Program,
13 also known as the ‘Montgomery GI Bill—active
14 duty’).

15 “(F) Chapter 31 of title 38, United States Code
16 (Training and Rehabilitation for Veterans with Serv-
17 ice-Connected Disabilities).

18 “(G) Chapter 32 of title 38, United States Code
19 (Post-Vietnam Era Veterans’ Educational Assistance
20 Program).

21 “(H) Chapter 33 of title 38, United States Code
22 (Post-9/11 Educational Assistance).

23 “(I) Chapter 35 of title 38, United States Code
24 (Survivors’ and Dependents’ Educational Assistance
25 Program).

1 “(J) Section 903 of the Department of Defense
2 Authorization Act, 1981 (10 U.S.C. 2141 note) (Edu-
3 cational Assistance Pilot Program).

4 “(K) Section 156(b) of the ‘Joint Resolution
5 making further continuing appropriations and pro-
6 viding for productive employment for the fiscal year
7 1983, and for other purposes’ (42 U.S.C. 402 note)
8 (Restored Entitlement Program for Survivors, also
9 known as ‘Quayle benefits’).

10 “(L) The provisions of chapter 3 of title 37,
11 United States Code, related to subsistence allowances
12 for members of the Reserve Officers Training Corps.”;
13 and

14 (8) in section 480(j)(1) (20 U.S.C. 1087vv(j)(1)),
15 by striking “12571” and inserting “12511”.

16 (b) *EFFECTIVE DATE.*—The amendments made by—

17 (1) paragraph (1) of subsection (a) shall take ef-
18 fect on July 1, 2009; and

19 (2) paragraph (4) of such subsection shall be ef-
20 fective as if enacted as part of the amendments in sec-
21 tion 602(a) of the College Cost Reduction and Access
22 Act (Public Law 110–84), and shall take effect on
23 July 1, 2009.

24 (c) *HIGHER EDUCATION OPPORTUNITY ACT.*—Section
25 473(f) of the Higher Education Opportunity Act (Public

1 *Law 110–315) is amended by inserting “, except that the*
 2 *amendments made in subsection (e) shall take effect on July*
 3 *1, 2009” before the period at the end.*

4 **SEC. 407. GENERAL PROVISIONS OF TITLE IV.**

5 *(a) DELAYED IMPLEMENTATION OF EZ FAFSA.—Not-*
 6 *withstanding any other provision of law, the Secretary of*
 7 *Education shall be required to carry out the requirements*
 8 *under the following provisions of section 483 of the Higher*
 9 *Education Act of 1965 (20 U.S.C. 1090) only for academic*
 10 *year 2010–2011 and subsequent academic years:*

11 *(1) In subsection (a) of such section—*

12 *(A) subparagraphs (A)(i) and (B) of para-*
 13 *graph (2);*

14 *(B) in paragraph (3)—*

15 *(i) the second sentence of subparagraph*
 16 *(A);*

17 *(ii) clauses (i) and (ii) of subpara-*
 18 *graph (B); and*

19 *(iii) subparagraph (C);*

20 *(C) paragraph (4)(A)(iv); and*

21 *(D) paragraph (5)(E).*

22 *(2) Subsection (h) of such section.*

23 *(b) OTHER AMENDMENTS.—Part G of title IV (20*
 24 *U.S.C. 1088 et seq.) is amended—*

1 (1) *in the matter preceding paragraph (1) of sec-*
 2 *tion 481(c) (20 U.S.C. 1088(c)), by striking “or any*
 3 *State, or private, profit or nonprofit organization”*
 4 *and inserting “any State, or any private, for-profit*
 5 *or nonprofit organization,”;*

6 (2) *in section 482(b) (20 U.S.C. 1089(b)), by*
 7 *striking “413D(e), 442(e), or 462(j)” and inserting*
 8 *“413D(d), 442(d), or 462(i)”;*

9 (3) *in section 483 (20 U.S.C. 1090)—*

10 (A) *in subsection (a)(3)(C), by inserting*
 11 *“that” after “except”; and*

12 (B) *in subsection (e)(8)(A), by striking*
 13 *“identify” and inserting “determine”;*

14 (4) *in section 484 (20 U.S.C. 1091)—*

15 (A) *in the matter preceding subparagraph*
 16 (A) *of subsection (a)(4), by striking “certifi-*
 17 *cation,,” and inserting “certification,”;*

18 (B) *in subsection (b)(1)(B)—*

19 (i) *by striking “have (A)” and insert-*
 20 *ing “have (i)”;* and

21 (ii) *by striking “and (B)” and insert-*
 22 *ing “and (ii)”;*

23 (C) *in subsection (f)(1), by striking “part*
 24 *B” and all that follows through “part E” in*

1 *each place that the phrase occurs and inserting*
2 *“part B, part D, or part E”;*
3 *(D) in subsection (h)—*
4 *(i) in paragraph (2), by striking*
5 *“(h)(4)(A)(i)” and inserting “(g)(4)(A)(i)”;*
6 *and*
7 *(ii) in paragraph (3), by striking*
8 *“(h)(4)(B)(i)” and inserting “(g)(4)(B)(i)”;*
9 *and*
10 *(E) in subsection (n), by striking “section*
11 *1113 of Public Law 97–252” and inserting “sec-*
12 *tion 12(f) of the Military Selective Service Act*
13 *(50 U.S.C. App. 462(f))”;*
14 *(5) in section 485 (20 U.S.C. 1092)—*
15 *(A) in subsection (a)—*
16 *(i) in paragraph (1)—*
17 *(I) the matter preceding subpara-*
18 *graph (A), by striking “also referred to*
19 *as the Family Educational Rights and*
20 *Privacy Act of 1974” and inserting*
21 *“commonly known as the ‘Family*
22 *Educational Rights and Privacy Act of*
23 *1974’”;* *and*

- 1 (II) in subparagraph (I), by strik-
- 2 ing “handicapped students” and in-
- 3 serting “students with disabilities”;
- 4 (ii) in paragraph (4)(B), by inserting
- 5 “during which” after “time period”; and
- 6 (iii) in the matter preceding subclause
- 7 (I) of paragraph (7)(B)(iv), by inserting
- 8 “education” after “higher”;
- 9 (B) in subsection (e)(3)(B), by inserting
- 10 “during which” after “time period”;
- 11 (C) in subsection (f)—
- 12 (i) in the matter preceding subpara-
- 13 graph (A) of paragraph (1), by inserting
- 14 “of” after “foreign institution”; and
- 15 (ii) in paragraphs (3), (4)(A), (5), and
- 16 (8)(A), by striking “under this title” each
- 17 place it appears and inserting “under this
- 18 title, other than a foreign institution of
- 19 higher education,”;
- 20 (D) in subsection (g)(2), by striking “sub-
- 21 paragraph (G)” and inserting “paragraph
- 22 (1)(G)”;
- 23 (E) in subsection (i)—
- 24 (i) in paragraph (2), by striking “eli-
- 25 gible institution participating in any pro-

gram under this title” and inserting “institution described in paragraph (1)”;

(ii) in paragraph (3), in the matter preceding subparagraph (A), by striking “eligible institution participating in any program under this title” and inserting “institution described in paragraph (1)”;

and

(iii) in paragraph (5)(B), by striking “the Family Educational Rights and Privacy Act of 1974” and inserting “commonly known as the ‘Family Educational Rights and Privacy Act of 1974’”;

(F) in subsection (k)(2), by inserting “section” before “484(r)(1)”;

and

(G) in the matter preceding clause (i) of subsection (l)(1)(A), by striking “subparagraph (B)” and inserting “paragraph (2)”;

(6) in section 485A (20 U.S.C. 1092a)—

(A) in subsection (a)—

(i) by striking “or defined in subpart I of part C of title VII of the Public Health Service Act” and inserting “or an eligible lender as defined in section 719 of the Pub-

1 *lic Health Service Act (42 U.S.C. 292o)’’;*
 2 *and*

3 *(ii) by striking ‘‘under subpart I of*
 4 *part C of title VII of the Public Health*
 5 *Service Act (known as Health Education*
 6 *Assistance Loans)’’ and inserting ‘‘under*
 7 *part A of title VII of the Public Health*
 8 *Service Act (42 U.S.C. 292 et seq.)’’;*

9 *(B) in subsection (b), by striking ‘‘subpart*
 10 *I of part C of title VII of the Public Health*
 11 *Service Act’’ and inserting ‘‘part A of title VII*
 12 *of the Public Health Service Act (42 U.S.C. 292*
 13 *et seq.)’’;*

14 *(C) in subsection (e)—*

15 *(i) by striking ‘‘Health Education As-*
 16 *sistance Loan’’ and inserting ‘‘loan under*
 17 *part A of title VII of the Public Health*
 18 *Service Act (42 U.S.C. 292 et seq.)’’; and*

19 *(ii) in paragraph (2), by striking*
 20 *‘‘733(e)(3)’’ and inserting ‘‘707(e)(3)’’; and*

21 *(D) in subsection (f)—*

22 *(i) in paragraph (1)—*

23 *(I) in the second sentence, by*
 24 *striking ‘‘subpart I of part C of title*
 25 *VII of the Public Health Service Act’’*

1 *and inserting “part A of title VII of*
 2 *the Public Health Service Act (42*
 3 *U.S.C. 292 et seq.)”;* and

4 *(II) in the fourth sentence, by*
 5 *striking “728(a)” and inserting “710”;*
 6 *and*

7 *(ii) in paragraph (2), by striking*
 8 *“subpart I of part C of title VII of the Pub-*
 9 *lic Health Service Act” and inserting “part*
 10 *A of title VII of the Public Health Service*
 11 *Act (42 U.S.C. 292 et seq.)”;*

12 *(7) in section 485B (20 U.S.C. 1092b)—*

13 *(A) in subsection (a)(5), by striking “)”*
 14 *and inserting “)”;* and

15 *(B) in subsection (d)(3)(D), by striking “the*
 16 *Family Educational Rights and Privacy Act of*
 17 *1974” and inserting “commonly known as the*
 18 *‘Family Educational Rights and Privacy Act of*
 19 *1974’”;*

20 *(8) in section 487 (20 U.S.C. 1094)—*

21 *(A) in subsection (a)(23)(A), by inserting*
 22 *“of 1993” after “Registration Act”;*

23 *(B) in subsection (c)(1)—*

1 (i) in subparagraph (A)(i), by striking
2 “students receives” and inserting “students
3 receive”;

4 (ii) in subparagraph (F), by striking
5 “paragraph (2)(B)” and inserting “para-
6 graph (3)(B)”;

7 (iii) in subparagraph (H), by striking
8 “paragraph (2)(B)” and inserting “para-
9 graph (3)(B)”;

10 (C) in subsection (f)(1), by striking
11 “496(c)(4)” and inserting “496(c)(3)”;

12 (D) in subsection (g)(1), by striking “sub-
13 section (f)(2)” and inserting “subsection (e)(2)”;
14 (9) in section 487A(b) (20 U.S.C. 1094a(b))—

15 (A) in paragraph (1)—

16 (i) by striking “Any activities” and
17 inserting “Any experimental sites”;

18 (ii) by striking “June 30, 2009” and
19 inserting “June 30, 2010”;

20 (B) by adding at the end the following:

21 “(4) DETERMINATION OF SUCCESS.—For the
22 purposes of paragraph (1), the Secretary shall make
23 a determination of success regarding an institution’s
24 participation as an experimental site based on—

1 “(A) the ability of the experimental site to
 2 reduce administrative burdens to the institution,
 3 as documented in the Secretary’s biennial report
 4 under paragraph (2), without creating costs for
 5 the taxpayer; and

6 “(B) whether the experimental site has im-
 7 proved the delivery of services to, or otherwise
 8 benefitted, students.”;

9 (10) in section 489(a) (20 U.S.C. 1096(a))—

10 (A) in the third sentence, by striking “has
 11 agreed to assign under section 463(a)(6)(B)” and
 12 inserting “has referred under section
 13 463(a)(4)(B)”; and

14 (B) in the fourth sentence, by striking
 15 “484(h)” and inserting “484(g)”;

16 (11) in section 491(l)(2)(A) (20 U.S.C.
 17 1098(l)(2)(A)), by inserting “the” after “enactment
 18 of”; and

19 (12) in section 492(a) (20 U.S.C. 1098a(a))—

20 (A) in paragraph (1), by striking “regula-
 21 tions” and all that follows through “The” and
 22 inserting “regulations for this title. The”; and

23 (B) in paragraph (2), by striking “ISSUES”
 24 and all that follows through “provide” and in-
 25 serting “ISSUES.—The Secretary shall provide”.

1 **SEC. 408. PROGRAM INTEGRITY.**

2 *Part H of title IV (20 U.S.C. 1099a et seq.) is amend-*
 3 *ed—*

4 (1) in section 496(a)(6)(G) (20 U.S.C.
 5 1099b(a)(6)(G)), by striking the period at the end
 6 and inserting a semicolon; and

7 (2) in section 498(c)(2) (20 U.S.C. 1099c(c)(2)),
 8 by striking “for profit” and inserting “for-profit”.

9 **SEC. 409. WAIVER OF MASTER CALENDAR AND NEGOTIATED**
 10 **RULEMAKING REQUIREMENTS.**

11 *Sections 482 and 492 of the Higher Education Act of*
 12 *1965 (20 U.S.C. 1089, 1098a) shall not apply to the amend-*
 13 *ments made by this title, or to any regulations promulgated*
 14 *under those amendments.*

15 **TITLE V—DEVELOPING**
 16 **INSTITUTIONS**

17 **SEC. 501. DEVELOPING INSTITUTIONS.**

18 *Section 502(b)(2) (20 U.S.C. 1101a(b)(2)) is amended*
 19 *by striking “which determination” and inserting “which*
 20 *the determination”.*

21 **TITLE VI—INTERNATIONAL**
 22 **EDUCATION PROGRAMS**

23 **SEC. 601. INTERNATIONAL EDUCATION PROGRAMS.**

24 (a) *HIGHER EDUCATION ACT OF 1965.—Title VI (20*
 25 *U.S.C. 1121 et seq.) is amended—*

26 (1) in section 604(a) (20 U.S.C. 1124(a))—

1 (A) in the matter preceding subparagraph
 2 (A) of paragraph (2), by inserting “the” before
 3 “Federal”; and

4 (B) in paragraph (7)(D), by striking “insti-
 5 tution, combination” and inserting “applicant,
 6 consortium,”; and

7 (2) in section 622(a) (20 U.S.C. 1131–1(a)), by
 8 inserting a period after “title”.

9 (b) *HIGHER EDUCATION OPPORTUNITY ACT.*—The
 10 matter preceding paragraph (1) of section 621 of the Higher
 11 Education Opportunity Act (Public Law 110–315) is
 12 amended by striking “Section 631 (20 U.S.C. 1132)” and
 13 inserting “Section 631(a) (20 U.S.C. 1132(a))”.

14 **TITLE VII—GRADUATE AND**
 15 **POSTSECONDARY IMPROVE-**
 16 **MENT**

17 **SEC. 701. GRADUATE AND POSTSECONDARY IMPROVEMENT**
 18 **PROGRAMS.**

19 *Title VII (20 U.S.C. 1133 et seq.) is amended—*

20 (1) in the matter preceding paragraph (1) of sec-
 21 tion 721(d) (20 U.S.C. 1136(d)), by striking “services
 22 through” and all that follows through “resource cen-
 23 ters” and inserting “services through pre-college pro-
 24 grams, undergraduate prelaw information resource
 25 centers”;

1 (2) in section 723(b)(1)(P) (20 U.S.C.
2 1136a(b)(1)(P)), by striking “Sate” and inserting
3 “State”;

4 (3) in section 744(c)(6)(C) (20 U.S.C.
5 1138c(c)(6)(C)), by inserting “of the National Acad-
6 emies” after “Institute of Medicine”;

7 (4) in section 760 (20 U.S.C. 1140), by striking
8 paragraph (1) and inserting the following:

9 “(1) COMPREHENSIVE TRANSITION AND POST-
10 SECONDARY PROGRAM FOR STUDENTS WITH INTEL-
11 LECTUAL DISABILITIES.—The term ‘comprehensive
12 transition and postsecondary program for students
13 with intellectual disabilities’ means a degree, certifi-
14 cate, or nondegree program that meets each of the fol-
15 lowing:

16 “(A) Is offered by an institution of higher
17 education.

18 “(B) Is designed to support students with
19 intellectual disabilities who are seeking to con-
20 tinue academic, career and technical, and inde-
21 pendent living instruction at an institution of
22 higher education in order to prepare for gainful
23 employment.

24 “(C) Includes an advising and curriculum
25 structure.

1 “(D) Requires students with intellectual dis-
 2 abilities to participate on not less than a half-
 3 time basis as determined by the institution, with
 4 such participation focusing on academic compo-
 5 nents, and occurring through 1 or more of the
 6 following activities:

7 “(i) Regular enrollment in credit-bear-
 8 ing courses with nondisabled students of-
 9 fered by the institution.

10 “(ii) Auditing or participating in
 11 courses with nondisabled students offered by
 12 the institution for which the student does
 13 not receive regular academic credit.

14 “(iii) Enrollment in noncredit-bearing,
 15 nondegree courses with nondisabled stu-
 16 dents.

17 “(iv) Participation in internships or
 18 work-based training in settings with non-
 19 disabled individuals.

20 “(E) Requires students with intellectual dis-
 21 abilities to be socially and academically inte-
 22 grated with non-disabled students to the max-
 23 imum extent possible.”;

24 (5) in section 772 (20 U.S.C. 1140l)—

1 (A) in subsection (a)(2)(A), by striking
2 “with in” and inserting “with”; and

3 (B) in the matter preceding subclause (I) of
4 subsection (b)(1)(C)(ii), by striking “subpara-
5 graph (C)” and inserting “clause (i)”;
6 (6) in section 781 (20 U.S.C. 1141)—

7 (A) in subsection (c)(1), by striking “Serv-
8 ice” each place the term appears and inserting
9 “Services”;

10 (B) in the matter preceding paragraph (1)
11 of subsection (e)—

12 (i) by striking “(as defined” and all
13 that follows through “this Act)” and insert-
14 ing “(as described in section 435(p))”; and

15 (ii) by striking “435(j)” and inserting
16 “428(b)”;

17 (C) in subsection (g)(2), by striking “Serv-
18 ice” and inserting “Services”; and

19 (D) in subsection (i)—

20 (i) in paragraph (1)(D), by striking
21 “consortia” and inserting “consortium”;

22 and

23 (ii) in paragraph (2)—

(I) in the paragraph heading, by striking “CONSORTIA” and inserting “CONSORTIUM”; and

(II) by striking “consortia” each place the term appears and inserting “consortium”.

TITLE VIII—ADDITIONAL PROGRAMS

SEC. 801. ADDITIONAL PROGRAMS.

Title VIII (20 U.S.C. 1161a et seq.) is amended—

(1) in section 802(d)(2)(D) (20 U.S.C. 1161b(d)(2)(D)), by striking “regulation” and inserting “regulations”;

(2) in section 804(d) (20 U.S.C. 1161d(d))—

(A) in the heading, by striking “DEFINITION” and inserting “DEFINITIONS”; and

(B) by striking paragraph (2) and inserting the following:

“(2) *PUBLIC HEALTH SERVICE ACT.*—The terms ‘accredited’ and ‘school of nursing’ have the meanings given those terms in section 801 of the Public Health Service Act (42 U.S.C. 296).”;

(3) in section 808(a)(1) (20 U.S.C. 1161h(a)(1)), by striking “the Family Education Rights and Privacy Act of 1974” and inserting “section 444 of the

1 *General Education Provisions Act (commonly known*
 2 *as the ‘Family Educational Rights and Privacy Act*
 3 *of 1974’)*”;

4 *(4) in section 819(b)(3) (20 U.S.C. 1161j(b)(3)),*
 5 *by inserting a period after “101(a)”;*

6 *(5) in section 820 (20 U.S.C. 1161k)—*

7 *(A) in subsection (d)(5), by inserting “the”*
 8 *before “grant”;*

9 *(B) in subsection (f)(2), by striking “sub-*
 10 *part” each place the term appears and inserting*
 11 *“section”; and*

12 *(C) in subsection (h), by striking “use” and*
 13 *inserting “used”;*

14 *(6) in section 821 (20 U.S.C. 1161l)—*

15 *(A) in subsection (a)(1), by striking “sub-*
 16 *section (g)” and inserting “subsection (f)”;* and

17 *(B) in subsection (c)(1)(B), by striking*
 18 *“within” and inserting “in”;*

19 *(7) in section 824(f)(3) (20 U.S.C. 1161l–*
 20 *3(f)(3))—*

21 *(A) in subparagraph (A), by inserting “a”*
 22 *after “submitting”; and*

23 *(B) in subparagraph (C), by striking*
 24 *“pursing” and inserting “pursuing”;*

1 (8) in section 825(a) (20 U.S.C. 1161l–4(a)), by
 2 striking “the Family Educational Rights and Privacy
 3 Act of 1974” and inserting “commonly known as the
 4 ‘Family Educational Rights and Privacy Act of
 5 1974’”;

6 (9) in section 826(3) (20 U.S.C. 1161l–5(3)), by
 7 striking “the Family Educational Rights and Privacy
 8 Act of 1974” and inserting “commonly known as the
 9 ‘Family Educational Rights and Privacy Act of
 10 1974’”;

11 (10) in section 830(a)(1)(B) (20 U.S.C.
 12 1161m(a)(1)(B)), by striking “of for” and inserting
 13 “of”;

14 (11) in section 833(e)(1) (20 U.S.C. 1161n–
 15 2(e)(1))—

16 (A) in the matter preceding subparagraph
 17 (A), by striking “because of” and inserting
 18 “based on”; and

19 (B) in subparagraph (D), by striking “pur-
 20 poses of this section” and inserting “purpose of
 21 this part”;

22 (12) in section 841(c)(1) (20 U.S.C.
 23 1161o(c)(1)), by striking “486A(d)” and inserting
 24 “486A(b)(1)”;

1 (13) in section 851(j) (20 U.S.C. 1161p(j)), by
 2 inserting “to be appropriated” after “authorized”;
 3 and

4 (14) in section 894(b)(2) (20 U.S.C.
 5 1161y(b)(2)), by striking “the Family Educational
 6 Rights and Privacy Act of 1974” and inserting “com-
 7 monly known as the ‘Family Educational Rights and
 8 Privacy Act of 1974’”.

9 **SEC. 802. AMENDMENTS TO OTHER HIGHER EDUCATION**
 10 **ACTS.**

11 (a) *HIGHER EDUCATION AMENDMENTS OF 1998.*—

12 (1) *INCARCERATED INDIVIDUALS.*—Section
 13 821(h) of the Higher Education Amendments of 1998
 14 (20 U.S.C. 1151(h)) is amended to read as follows:

15 “(h) *ALLOCATION OF FUNDS.*—

16 “(1) *FISCAL YEAR 2009.*—From the funds appro-
 17 priated pursuant to subsection (i) for fiscal year
 18 2009, the Secretary shall allot to each State an
 19 amount that bears the same relationship to such funds
 20 as the total number of incarcerated individuals de-
 21 scribed in paragraphs (1) and (2) of subsection (e) in
 22 the State bears to the total number of such individ-
 23 uals in all States.

24 “(2) *FUTURE FISCAL YEARS.*—From the funds
 25 appropriated pursuant to subsection (i) for each fiscal

1 *year after fiscal year 2009, the Secretary shall allot*
 2 *to each State an amount that bears the same relation-*
 3 *ship to such funds as the total number of students eli-*
 4 *gible under subsection (e) in such State bears to the*
 5 *total number of such students in all States.”.*

6 (2) *UNDERGROUND RAILROAD.—Section 841(c)*
 7 *of the Higher Education Amendments of 1998 (20*
 8 *U.S.C. 1153(c)) is amended by inserting “this sec-*
 9 *tion” after “to carry out”.*

10 (b) *EDUCATION OF THE DEAF ACT OF 1986.—Section*
 11 *203(b)(2) of the Education of the Deaf Act of 1986 (20*
 12 *U.S.C. 4353(b)(2)) is amended by striking “and subsections*
 13 *(b) and (c) of section 209.” and inserting “and subsections*
 14 *(a), (b), and (c) of section 209.”.*

Attest:

Secretary.

11TH CONGRESS
1ST SESSION

H.R. 1777

AMENDMENT