

One Hundred Tenth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Thursday,
the fourth day of January, two thousand and seven*

An Act

To temporarily extend the programs under the Higher Education Act of 1965,
to amend the definition of an eligible not-for-profit holder, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Third Higher Education Extension Act of 2007”.

SEC. 2. EXTENSION OF PROGRAMS.

Section 2(a) of the Higher Education Extension Act of 2005 (Public Law 109–81; 20 U.S.C. 1001 note) is amended by striking “October 31, 2007” and inserting “March 31, 2008”.

SEC. 3. RULE OF CONSTRUCTION.

Nothing in this Act, or in the Higher Education Extension Act of 2005 as amended by this Act, shall be construed to limit or otherwise alter the authorizations of appropriations for, or the durations of, programs contained in the amendments made by the Higher Education Reconciliation Act of 2005 (Public Law 109–171) or by the College Cost Reduction and Access Act (Public Law 110–84) to the provisions of the Higher Education Act of 1965 and the Taxpayer-Teacher Protection Act of 2004.

SEC. 4. DEFINITION OF ELIGIBLE NOT-FOR-PROFIT HOLDER.

Section 435(p) of the Higher Education Act of 1965 (20 U.S.C. 1085(p)) is amended—

(1) in paragraph (1), by striking subparagraph (D) and inserting the following:

“(D) acting as a trustee on behalf of a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d).”; and

(2) in paragraph (2)—

(A) in subparagraph (A)(i), by striking subclause (II) and inserting the following:

“(II) is acting as a trustee on behalf of a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), and such

State, political subdivision, authority, agency, instrumentality, or other entity, on the date of enactment of the College Cost Reduction and Access Act, was the sole beneficial owner of a loan eligible for any special allowance payment under section 438.”;

(B) in subparagraph (A)(ii), by inserting “of” after “waive the requirements”;

(C) by amending subparagraph (B) to read as follows:

“(B) NO FOR-PROFIT OWNERSHIP OR CONTROL.—

“(i) IN GENERAL.—No State, political subdivision, authority, agency, instrumentality, or other entity described in paragraph (1)(A), (B), or (C) shall be an eligible not-for-profit holder under this Act if such State, political subdivision, authority, agency, instrumentality, or other entity is owned or controlled, in whole or in part, by a for-profit entity.

“(ii) TRUSTEES.—A trustee described in paragraph (1)(D) shall not be an eligible not-for-profit holder under this Act with respect to a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), if such State, political subdivision, authority, agency, instrumentality, or other entity is owned or controlled, in whole or in part, by a for-profit entity.”;

(D) by amending subparagraph (C) to read as follows:

“(C) SOLE OWNERSHIP OF LOANS AND INCOME.—No State, political subdivision, authority, agency, instrumentality, trustee, or other entity described in paragraph (1)(A), (B), (C), or (D) shall be an eligible not-for-profit holder under this Act with respect to any loan, or income from any loan, unless—

“(i) such State, political subdivision, authority, agency, instrumentality, or other entity is the sole beneficial owner of such loan and the income from such loan; or

“(ii) such trustee holds the loan on behalf of a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), and such State, political subdivision, authority, agency, instrumentality, or other entity is the sole beneficial owner of such loan and the income from such loan.”;

(E) in subparagraph (D), by striking “an entity described in described in paragraph (1)(A), (B), or (C)” and inserting “a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d),”; and

(F) by amending subparagraph (E) to read as follows:

“(E) RULE OF CONSTRUCTION.—For purposes of subparagraphs (A), (B), (C), and (D) of this paragraph, a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), shall not—

“(i) be deemed to be owned or controlled, in whole or in part, by a for-profit entity; or

“(ii) lose its status as the sole owner of a beneficial interest in a loan and the income from a loan, by such State, political subdivision, authority, agency, instrumentality, or other entity, or by the trustee described in paragraph (1)(D), granting a security interest in, or otherwise pledging as collateral, such loan, or the income from such loan, to secure a debt obligation for which such State, political subdivision, authority, agency, instrumentality, or other entity is the issuer of the debt obligation.”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*