

113TH CONGRESS
1ST SESSION

S. 682

To amend the Higher Education Act of 1965 to reset interest rates for new student loans.

IN THE SENATE OF THE UNITED STATES

APRIL 9, 2013

Mr. COBURN (for himself, Mr. BURR, and Mr. ALEXANDER) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to reset interest rates for new student loans.

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 “Comprehensive Stu-
5 dent Loan Protection Act”.

6 **SEC. 2. INTEREST RATES UNDER THE DIRECT LOAN PRO-**
7 **GRAM.**

8 Section 455(b)(7) of the Higher Education Act of
9 1965 (20 U.S.C. 1087e(b)(7)) is amended by adding at
10 the end the following:

1 “(E) INTEREST RATE PROVISION FOR NEW
2 LOANS AFTER JULY 1, 2013.—

3 “(i) IN GENERAL.—Notwithstanding
4 the preceding paragraphs of this sub-
5 section or subparagraph (A) or (B), for
6 Federal Direct Stafford Loans, Federal
7 Direct Unsubsidized Stafford Loans, and
8 any Federal Direct PLUS Loan, for which
9 the first disbursement is made on or after
10 July 1, 2013, the applicable rate of inter-
11 est shall, during any 12-month period be-
12 ginning on July 1 and ending on June 30,
13 be determined on the preceding June 1
14 and be equal to—

15 “(I) the bond equivalent rate of
16 10-year Treasury bills auctioned at
17 the final auction held prior to such
18 June 1; plus

19 “(II) 3.0 percent.

20 “(ii) CONSULTATION.—The Secretary
21 shall determine the applicable rate of inter-
22 est under this subparagraph after con-
23 sultation with the Secretary of the Treas-
24 ury and shall publish such rate in the Fed-

1 eral Register as soon as practicable after
2 the date of determination.

3 “(iii) RATE.—The applicable rate of
4 interest determined under clause (i) for a
5 Federal Direct Stafford Loan, a Federal
6 Direct Unsubsidized Stafford Loan, or a
7 Federal Direct PLUS Loan shall be fixed
8 for the life of the Loan.”.

9 **SEC. 3. SAVINGS FOR DEFICIT REDUCTION.**

10 (a) IN GENERAL.—Not later than 1 year after the
11 date of enactment of this Act, the Comptroller General
12 of the United States shall determine the savings to the
13 Federal Government resulting from the amendment made
14 by section 2.

15 (b) AMOUNT TO BE USED FOR DEFICIT REDUC-
16 TION.—Any savings determined under subsection (a) shall
17 be transferred to the Treasury for deficit reduction.

18 **SEC. 4. DETERMINATION OF BUDGETARY EFFECTS.**

19 The budgetary effects of this Act, for the purpose of
20 complying with the Statutory Pay-As-You-Go Act of 2010,
21 shall be determined by reference to the latest statement
22 titled “Budgetary Effects of PAYGO Legislation” for this
23 Act, submitted for printing in the Congressional Record
24 by the Chairman of the Senate Budget Committee, pro-

- 1 vided that such statement has been submitted prior to the
- 2 vote on passage.

