

116TH CONGRESS
1ST SESSION

H. R. 3793

To amend the Higher Education Act of 1965 to include interest rate provisions for Federal loans made on or after July 1, 2020.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2019

Ms. KENDRA S. HORN of Oklahoma introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to include interest rate provisions for Federal loans made on or after July 1, 2020.

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 “Student Loan Accrual
5 Support and Help Act” or the “SLASH Act”.

6 **SEC. 2. FEDERAL STUDENT LOAN INTEREST RATES.**

7 Section 455(b) of the Higher Education Act of 1965
8 (20 U.S.C. 1087e(b)) is amended—

9 (1) in the header of paragraph (8), by inserting
10 “, and before July 1, 2020” after “July 1, 2013”;

1 (2) in subparagraphs (A), (B), (C), and (D) of
2 paragraph (8), by inserting “and before July 1,
3 2020,” after “July 1, 2013,” each place it appears;

4 (3) by redesignating paragraphs (9) and (10)
5 as paragraphs (10) and (11), respectively; and

6 (4) by inserting at the end of paragraph (8) the
7 following new paragraph:

8 “(9) INTEREST RATE PROVISIONS FOR NEW
9 LOANS ON OR AFTER JULY 1, 2020.—

10 “(A) RATE FOR ALL NEW FEDERAL DI-
11 RECT LOANS.—Notwithstanding the preceding
12 paragraphs of this subsection, for Federal Di-
13 rect Stafford Loans, Federal Direct Unsub-
14 sidized Stafford Loans, and Federal Direct
15 PLUS Loans, for which the first disbursement
16 is made on or after July 1, 2020, the applicable
17 rate of interest shall, for loans disbursed during
18 any 12-month period beginning on July 1 and
19 ending on June 30, be determined on the pre-
20 ceding June 1 and be equal to the lesser of—

21 “(i) a rate equal to the high yield of
22 the 10-year Treasury note auctioned at the
23 final auction held prior to such June 1; or

24 “(ii) 5.0 percent,

1 except that the applicable rate of interest for
2 any 12-month period (beginning on July 1 and
3 ending on June 30) shall not exceed the appli-
4 cable rate of interest for the preceding 12-
5 month period by more than 0.5 percent.

6 “(B) CONSOLIDATION LOANS.—Notwith-
7 standing the preceding paragraphs of this sub-
8 section, any Federal Direct Consolidation Loan
9 for which the application is received on or after
10 July 1, 2020, shall bear interest at an annual
11 rate on the unpaid principal balance of the loan
12 that is equal to the lesser of—

13 “(i) the weighted average of the inter-
14 est rates on the loans consolidated, round-
15 ed to the nearest higher one-eighth of one
16 percent; or

17 “(ii) the applicable rate of interest, as
18 determined on the preceding June 1 in ac-
19 cordance with subparagraph (A), for Fed-
20 eral Direct Stafford Loans disbursed dur-
21 ing the 12-month period (beginning on
22 July 1 and ending on June 30) during
23 which the application for consolidation is
24 received.

1 “(C) CONSULTATION.—The Secretary shall
2 determine the applicable rate of interest under
3 subparagraph (A) after consultation with the
4 Secretary of the Treasury and shall publish
5 such rate in the Federal Register as soon as
6 practicable after the date of determination.

7 “(D) RATE.—The applicable rate of inter-
8 est determined under this paragraph for a Fed-
9 eral Direct Stafford Loan, a Federal Direct Un-
10 subsidized Stafford Loan, a Federal Direct
11 PLUS Loan, or a Federal Direct Consolidation
12 Loan shall be fixed for the period of the loan.”.

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