

So when we think about campus crime, we also have to think in terms of getting those who are leading those institutions to stand tall against tremendous pressure, I realize that, from coaches and from the alumni associations.

Mr. McKEON. Madam Speaker, today, the House will consider House Resolution 470 which deals with the Student Right to Know and Campus Security Act.

The Student Right to Know and Campus Security Act signed into law by President Bush required colleges and universities throughout the United States to provide their students information on campus crime statistics and school policies related to campus security. This was a first step in providing students necessary information if they were to protect themselves from becoming victims of campus crime.

During the course of a hearing held in June by the Subcommittee on Postsecondary Education, Training and Life-Long Learning which I chair, some concerns were raised that colleges and universities were not accurately reporting crime statistics. In addition, several witnesses did not believe that the Department of Education considered the enforcement of the Campus Security Act a priority.

Since that June hearing, I have been in contact with Secretary Riley with respect to enforcement of the Campus Security Act. The resolution before the House today, puts our support on the record for the actions we insist Secretary Riley take with respect to improving and ensuring compliance with the Campus Security Act.

We intend to keep a close watch on this issue. I think that we all agree that it is imperative that colleges and universities comply with the Campus Security Act if we are going to accomplish our goal of protecting students.

I would also like to submit for the RECORD a letter received from the International Association of Campus Law Enforcement Administrators [IACLEA] in support of House Resolution 470.

INTERNATIONAL ASSOCIATION OF
CAMPUS LAW ENFORCEMENT AD-
MINISTRATORS,

Hartford, CT, July 30, 1996.

Hon. WILLIAM GOODLING,

U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN GOODLING: It is my pleasure to write to express support for House Resolution 470 on behalf of the International Association of Campus Law Enforcement Administrators and current IACLEA President Yvon McNicoll of the University of Ottawa.

IACLEA exists to promote the common interest in, and public education concerning, the administration of law enforcement programs including the operation and development of life safety and property safety programs on college and university campuses. It has long been the position of our Association that statistical information developed from campus law enforcement records and crime reports should be made available to the members of the community, and that an awareness of criminal incidents which are occurring will enable community members to take appropriate precautions to avoid becoming victims themselves.

Although not perfect, the provisions of section 485(f) of the Higher Education Act of 1965 with respect to compiling and disseminating campus crime statistics and security policies represent a reasonable prescription for the

framework of a program of safety awareness at postsecondary institutions. Many college and university security awareness programs go well beyond the minimum provisions established by statute, but there is undoubtedly room for improvement in some quarters. An active program of compliance monitoring on the part of the US Department of Education should lead to better information exchange regarding the intent of the statute and the identification of approaches which could serve as models for institutions whose campus security programs may benefit from enhancement.

IACLEA would be pleased to assist in this endeavor in any possible.

Sincerely,

DOUGLAS F. TUTTLE,

Immediate Past President, IACLEA.

Mr. DUNCAN. Madam Speaker, I rise in strong support of this resolution. I believe it is very important that we provide the public access to information about the crime on the campuses of our Nation's colleges and universities.

When a family chooses to move to a new town or city, they base that decision on many factors including crime rates. When a family begins to decide what college or university they will choose, they also should have the right to know about the crime rate of that area.

I have been working very hard with my colleagues on this issue. In fact, I introduced legislation, the Open Campus Police Logs Act of 1995, which would require colleges and universities to maintain a daily log of all crimes committed and make these logs available for public inspection.

This resolution, of which I am a cosponsor, will ensure that the Department of Education enforces the Campus Security Act that requires institutions to make crime statistics available on a yearly basis.

I certainly believe this is a step in the right direction.

Many States have already enacted laws which require colleges and universities to make crime statistics public. I believe every mother and father in this country should have the right to know whether or not the school they are sending their child to is a safe one.

I think that each student should be able to know what kind of crimes have been committed on his or her campus. I also believe they should have access to information that will tell them where these crimes are committed. This will only help each individual student to take the necessary safety precautions to protect him or herself.

Madam Speaker, I want to thank my colleagues for their hard work on this issue.

I urge the passage of this resolution, and I yield back the balance of my time.

Mr. GOODLING. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. KILDEE. Madame Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Ms. GREENE of Utah). The question is on the motion offered by the gentleman from Pennsylvania [Mr. GOODLING] that the House suspend the rules and agree to the resolution, House Resolution 470.

The question was taken.

Mr. GOODLING. Madam Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's

prior announcement, further proceedings on this motion will be postponed.

STUDENT DEBT REDUCTION ACT OF 1996

Mr. GOODLING. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3863) to amend the Higher Education Act of 1965 to permit lenders under the unsubsidized Federal Family Education Loan Program to pay origination fees on behalf of borrowers, as amended.

The Clerk will read as follows:

H.R. 3863

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 "Student Debt Reduction Act of 1996".

SEC. 2. UNSUBSIDIZED STUDENT LOANS.

(a) AMENDMENT.—Paragraph (1) of section 428H(f) of the Higher Education Act of 1965 (20 U.S.C. 1078-8(f)(1)) is amended to read as follows:

"(1) AMOUNT OF ORIGATION FEE.—Except as provided in paragraph (5), an origination fee shall be paid to the Secretary with respect to each loan under this section in the amount of 3.0 percent of the principal amount of the loan. Each lender under this section is authorized to charge the borrower for such origination fee, provided that the lender assesses the same fee to all student borrowers. Any such fee charged to the borrower shall be deducted proportionately from each installment payment of the proceeds of the loan prior to payment to the borrower."

(b) CONFORMING AMENDMENTS.—Section 428H(f) of such Act is further amended—

(1) in paragraph (3), by striking "the origination fee" and inserting "any origination fee that is charged to the borrower";

(2) in paragraph (4), by striking "origination fees authorized to be collected from borrowers" and inserting "origination fees required under paragraph (1)"; and

(3) by adding at the end the following new paragraph:

"(6) EXCEPTION.—Notwithstanding paragraph (1), a lender may assess a lesser origination fee for a borrower demonstrating greater financial need as determined by such borrower's adjusted gross family income."

(c) REPORT ON COMPETITIVE ALLOCATION.—Within 60 days after the date of enactment of this Act, the Secretary of Education shall submit to each House of the Congress a legislative proposal that would permit the Secretary to allocate the right to make subsidized and unsubsidized student loans on the basis of competitive bidding. Such proposal shall include provision to ensure that any payments received from such competitive bidding are equally allocated to deficit reduction and to pro rata reduction of origination fees in both guaranteed and direct student loans.

SEC. 3. STUDY OF LOAN FEES.

(a) STUDY REQUIRED.—The Secretary of Education shall conduct a statistical analysis of the subsidized and unsubsidized student loan programs under part B of title IV of the Higher Education Act of 1965 to gather data on lenders' use of loan fees and to determine if there are any anomalies that would indicate any institutional, programmatic or socioeconomic discrimination in the assessing or waiving such fees.

(b) REPORT.—The Secretary of Education shall submit to each House of the Congress a report on the study required by subsection

(a) within 2 years after the date of enactment of this Act.

(c) STATISTICAL CHARACTERISTICS TO BE STUDIED.—In conducting the study required by subsection (a), the Secretary of Education shall compare recipients of loans on the basis of income, residence location, type and location of higher education, program of instruction and type of lender.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Michigan [Mr. KILDEE] each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

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Mr. GOODLING. Madam Speaker, I yield myself what time I may consume and would preface my remarks by saying, as the last bill, here is another bill that is a bipartisan bill coming from my committee. Seems that every day we are here with a bipartisan effort coming from my committee.

Today we are taking up the Student Debt Reduction Act of 1996. This bill will allow student loan lenders or any other interested party to pay the origination fees charged to students who borrow unsubsidized Stafford Loans. This practice is already allowed for subsidized Stafford Loans, but a Department of Education ruling has prohibited this benefit to students who borrow unsubsidized Stafford Loans. By enacting this bill, we are simply extending the same benefits to unsubsidized loan borrowers.

It is rather timely that we should be considering this bill today, just as millions of students are making their way to college campuses all across the country. And as they make their way, we are all painfully aware of their growing concern about paying the bills for tuition, room and board, books and basic living necessities. This bill aims to ease some of that concern by getting more cash in the hands of students.

Madam Speaker, anyone who reads the newspaper or watches television knows that college costs are a growing concern among families. A recent GAO study of college costs found that tuition at 4-year public colleges and universities has increased 234 percent over the last 14 years. Compare that to median household income which rose 82 percent and the Consumer Price Index which rose only 74 percent over the same time period, and it is easy to understand the growing concern over the cost of a college education.

That is why I am especially pleased that my committee reported out the Student Debt Reduction Act by a unanimous vote of 34 yeas to 0 noes. This bill fosters competition among student loan lenders which directly results in monetary benefits to students. For example, a student who borrows an unsubsidized loan of \$6,625 receives an upfront fee reduction of \$198.75. If this same student borrows the maximum allowed for an unsubsidized loan over 4 years of college, the fee reduction will amount to \$1,053.75. That is cash in stu-

dents hands that can be used for educational expenses.

In addition to these savings, this House approved another increase to the Pell grant program in addition to last year's increase so that students may receive the highest Pell grant maximum in the history of the program. This House also approved a \$68 million increase for the work study program so that more students may obtain job related experience while enrolled in college. Efforts such as these simply reaffirm our commitment to higher education in this country.

In conclusion, I just want to talk briefly about the impact of this legislation on students in Pennsylvania. A program to help students and their families operated for 1 year before the Department of Education issued its ruling with respect to unsubsidized loans. That program helped 36,929 students from families with incomes under \$21,000 by paying a portion of the originating fees. Those students had an extra \$2.1 million to use toward their college education expenses.

In Pennsylvania, the program will continue on for 27,601 of those students. Unfortunately, without this legislation, 9,328 needy students who received unsubsidized loans will not be allowed to benefit from the program and will be forced to pay higher up-front fees. There is no reason this should happen. We have an opportunity to see that it does not by voting for the Student Debt Reduction Act.

Madam Speaker, I reserve the balance of my time.

Mr. KILDEE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 3863, the Student Debt Reduction Act, even though I continue to have reservations about the timing of the legislation in light of the upcoming reauthorization of the Higher Education Act next year.

My colleagues on the other side of the aisle claim this bill corrects a simple technical problem, but I believe it does much more than that. This legislation has the admirable intent of reducing college costs for students, which I am always in favor of, but it also has significant policy implications for student loan programs which have not been examined at either subcommittee or full committee levels.

Throughout the country, students and their families are facing increasing college costs and declining Federal aid. Democrats, Madam Speaker, have always been supportive of expanding opportunities for all students in Federal financial aid programs. I, for one, would like to see the elimination of this loan origination fee altogether and will make this a priority issue during next year's reauthorization.

Madam Speaker, I am concerned that this bill as written would permit lenders to pay origination fees for some students but would not provide this same opportunity for students who receive loans under the direct loan pro-

gram. We should have a level playing field in the student loan arena, and this bill upsets that equal ground, I believe.

Despite its flaws, however, this legislation has the potential, Madam Speaker, of lowering college costs for students, and I urge my colleagues to support it.

Madam Speaker, I reserve the balance of my time.

Mr. GOODLING. Madam speaker, I yield myself 30 seconds just to say that, if there was ever a time to try to level the playing field, it is now, because the direct lending advocates in the White House have made it very clear that they are going to do everything they possibly can to eliminate every other possibility.

So this will be leveling that playing field that they have positively piled up rocks and mounds and so on to make sure that any other program cannot succeed.

Madam Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GREENWOOD, a member of the committee.

Mr. GREENWOOD. Madam Speaker, I thank the chairman of the full committee for yielding me this time.

Madam Speaker, H.R. 3863, the Student Debt Reduction Act of 1996, will allow students to receive lower-cost unsubsidized student loans by permitting lenders in the Federal Family Education Loan Program to waive or reduce origination fees. The savings to our students may be the full origination fee, which is 3 percent of the total loan amount.

Since budgetary concerns are paramount today, as they should be, it is important to note that H.R. 3863 is budget neutral. It will not increase or decrease the amount of student fee revenues collected and transmitted to the Federal Government, but it will increase the amount of funds transmitted to our hard-working middle-class college students and their families.

Republicans in Congress are working to make college more affordable for middle-class families struggling to afford their children the opportunity provided by a college degree, and this bill is an excellent example of our work.

Madam Speaker, current law states that a lender may charge a student borrower an origination fee on a subsidized student loan but shall charge a student borrower of an unsubsidized loan. This bill will close a loophole in the law by allowing lenders to treat unsubsidized loans the same as subsidized loans and in the process permit struggling middle-class families and students the same return as lower-income borrowers.

Under this bill we will allow the full amount of the student loan to flow to middle-class students, we can encourage competition among student loan lenders, and we can guarantee that the type of relief permitted under a subsidized loan will now be permitted under an unsubsidized loan.

This is a commonsense plan to put money in the pockets of students to pay educational expenses.

Madam Speaker, the bottom line of this bill is fairly straightforward. It is good business for banks to make these loans. They are guaranteed by the Federal Government, and they profit from the interest paid by the students. Because it is good business and attractive business for the banks, we think this provision will allow them to compete for the business by offering to waive all or part of the 3 percent loan. And for a student borrowing the maximum amount for 4 years, that thousand dollar difference can mean a great difference in the ability of that student to have the books and the other resources needed for their education. For that reason, I rise to support H.R. 3863.

Mr. GOODLING. Madam Speaker, I yield 2 minutes to the gentleman from California [Mr. RIGGS], another member of the committee.

Mr. RIGGS. Madam Speaker, I have to tell my colleagues that I am genuinely confused with this legislation on the floor today, because I would have sworn I have been seeing and hearing radio and television ads in my congressional district and in congressional districts around the country, of course all held by incumbent Republicans, run by the AFL-CIO, the big labor bosses of the AFL-CIO based back here in Washington, who have practically become the campaign arm of the national Democratic Party and the Clinton reelection campaign, accusing us of cutting funding for student loans.

So I am genuinely confused. I thought our 7-year plan for balancing the Federal budget increased taxpayer funding for student loans by 50 percent, or \$12 billion, from \$24 billion today to \$36 billion 7 years from now.

As the chairman just pointed out, we have increased funding for the maximum Pell Grant award to the highest level in our country's history. We have level funded the TRIO Program for college-bound minorities. And today we bring this legislation, the Student Debt Reduction Act, to the floor, which allows lenders in the student loan program to pay origination fees charged to students who obtain unsubsidized, that is to say a situation where the student is responsible for the interest, to pay origination fees charged to students who obtain unsubsidized Stafford loans.

Madam Speaker, this bill is good legislation. It increases competition in the student loan program, and it lowers costs for college students, making a college education for all Americans more accessible and more affordable.

So, Madam Speaker, I am very confused. To hear the rhetoric that has been coming out of Washington by the national Democratic Party and their liberal special interest allies, one would be led to believe that all we have been doing is cutting or gutting taxpayer funding for student financial aid, when nothing could be further from the truth.

Republicans do care about making a college education more affordable for our young people. We realize it is a good investment, a farsighted investment of the taxpayer's dollar. That is why we have made that in fact a priority in this session of Congress, the rhetoric of our colleagues notwithstanding.

All I would say in conclusion is that those who want to continue to maintain that we are cutting taxpayer funding for student financial aid ought to go back to school because they cannot do their math.

Mr. GOODLING. Madam Speaker, I yield 2 minutes to the gentleman from Pennsylvania, Chairman CLINGER.

Mr. CLINGER. Madam Speaker, I thank the gentleman for yielding me this time. Let me first commend my distinguished colleague from Pennsylvania, Chairman GOODLING, for bringing this very important legislation before us today and for his long leadership on education issues throughout his tenure in Congress. He has made a great contribution to improving education in this country at all levels.

I also want to recognize my fellow sponsors of the bill, the gentleman from Pennsylvania, Congressmen GREENWOOD, FATTAH, and GEKAS, the gentleman from California, Mr. MCKEON, the gentleman from Illinois, Mr. FAWELL, and others for their commitment to our Nation's students.

I am pleased to share my support for the Student Debt Reduction Act of 1996. The bill brings together two issues that have had the highest priority, my highest priority during my 18 years in Congress: education and debt reduction. There is no greater gift to our young people than an education. By reducing individual cost to students, we are giving students the chance to focus on their education instead of how they are going to pay for it.

Specifically, the bill allows lenders in the student loan program to pay origination fees charged to students who obtain unsubsidized Stafford, so-called Stafford loans, and in so doing we are lowering the cost to students and increasing competition within the student loan program by making unsubsidized loans an equal player, all while adding no cost, repeat, no cost to the Federal Government.

So as a Congressman who represents literally countless higher educational institutions, Penn State, Bucknell, and many others, I know the overwhelming feelings that are associated with paying for an education.

This minor and, really, technical change to existing law will help thousands of students in Pennsylvania and hundreds of thousands of students nationwide who have been treated unfavorably until this point in time.

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I am proud to be a cosponsor of the Student Debt Reduction Act, and urge

my colleagues to support it overwhelmingly and make education more affordable and available for an even greater number of students.

Mr. GOODLING. Madam Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. ENGLISH].

Mr. ENGLISH of Pennsylvania. Madam Speaker, it is with great pleasure that I rise today in strong support of H.R. 3863, the Student Debt Reduction Act. Access to a college education for young Americans regardless of background is key to the American dream, but the cost of higher education is making it harder for many middle-class families to pay for tuition, and many students end up saddled with a debt burden that limits ultimately their choices.

I am proud to be a cosponsor of this important legislation introduced by the chairman of the Committee on Economic and Educational Opportunities which, in effect, will allow lenders to waive or reduce the origination fee on unsubsidized Stafford loans by paying the fee for a student. Lenders are already permitted to pay the origination fees charged to a student who obtains a subsidized Stafford loan. This legislation simply extends the same consideration to those borrowers of unsubsidized loans.

As a result of this legislation, students will find themselves with more money for educational costs. With the cost of college education on the rise, that money can be put to good use.

The savings to an individual student may be as much as the full origination fee of 3 percent of the loan amount. Students will be able to use their student loans for what they were intended, to pay for a college education. This legislation encourages competition by loan providers to the great benefit of students who are able to reduce their education financing costs.

Madam Speaker, I urge my colleagues to vote in favor of this important legislation. It provides Congress with an opportunity to give students the best possible financial aid packages by encouraging competition between lenders of unsubsidized and subsidized Stafford loans.

Mr. KILDEE. Madam Speaker, I yield myself such time as I may consume.

Mr. GOODLING and I work closely together and we have had a nice bipartisan spirit out here on two bills. It is regrettable that the gentleman from California [Mr. RIGGS] had to inject a bit of partisanship in this, attacking, among other things, the AFL-CIO. This bill is too important to inject those matters into this.

I regret that Mr. RIGGS, the gentleman from California, did this. I want to remind him that he himself voted last year on the reconciliation bill that left the House for a \$10 billion cut in student loans, including the in-school interest subsidy. So let us try to get this bill passed.

Mr. GOODLING and I worked very closely together. I regret this injection

of partisanship. I urge passage of this bill.

Madam Speaker, I reserve the balance of my time.

Mr. GOODLING. Madam Speaker, I yield myself 1 minute, just to again offer another challenge on this legislation to college and university presidents by repeating what I said earlier: A GAO study of college costs found that tuition at 4-year public colleges and universities has increased 234 percent over the last 14 years, but the median house income rose only 82 percent and the Consumer Price Index rose only 74 percent. This committee wants to know why the dramatic increases in college costs, and we want to get a handle on that so that more students will have an opportunity to attend a 4-year institution and graduate from a 4-year institution, because the number of dropouts from 4-year institutions has reached an all-time high.

Mr. MCKEON. Madam Speaker, today I rise in support of H.R. 3863, the Student Debt Reduction Act. This legislation, which I cosponsored along with Chairman GOODLING and other House colleagues, allows lenders or other interested parties to pay the origination fees charged to a student upon obtaining an unsubsidized Stafford loan.

Currently, lenders are allowed to pay the origination fees on behalf of students who borrow subsidized Stafford loans. I was quite surprised to learn that the Higher Education Act, as interpreted by the Department of Education, did not provide the same benefit for students borrowing unsubsidized Stafford loans.

I support this legislation for several reasons. Most importantly, it results in lower costs for students. At a time when students and parents everywhere are worrying about paying for college, every extra dollar becomes more and more important. It also specifically prohibits any discrimination on the part of lenders when offering programs that reduce a student's origination fees. Lastly, the bill results in increased competition among lender in the student loan program, at no increased cost to the Federal Government.

This simple change to the Higher Education Act could mean a great deal to college students across the country. I urge all of my colleagues to support the Student Debt Reduction Act.

Mr. ANDREWS. Madam Speaker, I share the laudable goal of H.R. 3863, to reduce the costs to students of borrowing for educational expenses, and I applaud the Committee on Economic and Educational Opportunities for its efforts to achieve this goal by cutting student loan fees. I would note that student loan origination fees were initially intended as a temporary measure, and it is high time that we repeal this tax on borrowing for all students. However, this legislation remains flawed, because it will create an unpredictable and unequal student loan system, in which some students will see their loan fees cut, while other students will receive no benefit.

As originally written H.R. 3863 would have given lenders the discretion to pay loan origination fees for some borrowers but not others. In all likelihood, the lenders would waive the fee for the most affluent students, who are better lending risks, in order to attract their

business. Thus, the most needy students would have been required to pay more to participate in the same lending programs as affluent students. Thus, the bill would have created incentives for lenders to pay the fee for students who are perceived as better lending risks. As a result, certain institutions would have a competitive advantage over others. This would have forced smaller lenders out of business, and might have led to less access to loans for needy students.

To address these concerns about potential discrimination among students and schools, I offered an amendment in committee, which I was pleased was adopted, to help prevent this possible unintended consequence of H.R. 3863. My amendment makes clear that lenders cannot vary the fee that they charge to student borrowers based on their credit risk. Additionally, my amendment gives the lender some discretion to further cut the origination fee for some student borrowers if they, in fact, show a greater need. Lenders, thus, are prohibited from discriminating against lower-income students and are empowered to offer them further assistance at their discretion.

Unfortunately, the bill as currently written would permit lenders to pay origination fees for some students, but would not provide the same opportunity for cost savings to students who receive loans under the Direct Loan Program. The result will be discrimination among students based on the program from which they receive their student loans.

Students, colleges and universities, and the taxpayers are best served if there is free, open competition and choice. Competition means that students and families can evaluate all the different loan options available to them and make the choice that is best for them. To ensure free competition in the student loan arena, the basic ground rules should be equal for all kinds of loans.

Loan fee cuts must be applied equitably to benefit students without regard to whether their institution participates in the Federal Family Education Loan Program [FFEL], the Direct Loan Program, or both. It is important to keep terms and conditions as nearly the same as possible, both to provide a level playing field so that students and institutions continue to benefit from the healthy competition that currently exists between the two programs, and to ensure that students in equivalent financial situations are treated equally. We should not only reduce the fees on the bank- and guaranty agency-based unsubsidized loans, but we should also extend that fee reduction to students who receive direct loans.

If it is a good idea to reduce these fees for students who borrow from banks or from guaranty agencies, then it is an equally good idea to extend that same opportunity to all students who would borrow from the Direct Student Loan Program. This committee has the opportunity to provide relief to all students, regardless of where they get their loan, while achieving our goal of a balanced Federal budget.

Cutting fees will help students who are faced with rising college costs and declining Federal aid. Over the past 15 years—1980–95—tuition at private 4-year higher education institutions has increased by 89 percent and at public 4-year institutions by 98 percent. In the same period of time, median family income has increased by 5 percent and student financial aid per student has increased by 37 percent. Clearly the ability of students and their

families to pay for higher education has diminished significantly. Student financial aid has clearly not kept pace with rising costs. In the mid-1970's about 76 percent of the financial aid which students received from Federal programs was grants and 21 percent was loans. In the mid-1990's the proportions have been reversed, with 26 percent of the Federal student aid in grants and 72 percent in loans.

Another problem with H.R. 3863 is that guaranty agencies could take the so-called excess reserves accumulated from students who have already borrowed money, draw down those excess reserves in order to help finance this cut in the fees, and in effect, use the money paid by a student 5 years ago under a fee to help reduce the fee for a student who borrows next year. Banks would not have that same opportunity to get capital at basically no cost, nor would the Federal Government. In order to level that playing field, we should cut loan fees for all students, whether they borrow from a guaranty agency, a bank, or the Federal Government through direct lending.

To pay for fee reductions for all students, regardless of where they get their loan, we should apply savings already identified in the budget process but not yet used: recovery of these excess guaranty agency reserve funds and an increase in the lender loan fee. We have already concluded in our budget process that lenders and guaranty agencies are in a better position to bear these costs than students are.

In summary, under H.R. 3863, students who take out an unsubsidized loan from a guaranty agency or a bank get a fee cut, which will lower their cost of borrowing for school. Yet their next-door neighbors on campus, with the same family income and the same tuition, who happen to receive their loan through the Direct Loan Program, are not offered the same savings. This inequity makes no sense, and it is a serious flaw in the legislation.

Mr. GOODLING. Madam Speaker, I yield back the balance of my time.

Mr. KILDEE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Ms. GREENE of Utah). The question is on the motion offered by the gentleman from Pennsylvania [Mr. GOODLING] that the House suspend the rules and pass the bill, H.R. 3863, as amended.

The question was taken.

Mr. GOODLING. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. GOODLING. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.