

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—114th Cong., 1st Sess.

H. R. 3594

To extend temporarily the Federal Perkins Loan program,
and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by _____

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Perkins Loan
5 Program Extension Act of 2015”.

6 **SEC. 2. EXTENSION OF FEDERAL PERKINS LOAN PROGRAM.**

7 (a) AUTHORITY TO MAKE LOANS.—

8 (1) IN GENERAL.—Section 461 of the Higher
9 Education Act of 1965 (20 U.S.C. 1087aa) is
10 amended—

11 (A) in subsection (a), by striking “of stim-
12 ulating and assisting in the establishment and

1 maintenance of funds at institutions of higher
2 education for the making of low-interest loans
3 to students in need thereof” and inserting “as-
4 sisting in the maintenance of funds at institu-
5 tions of higher education for the making of
6 loans to undergraduate students in need”;

7 (B) by striking subsection (b) and insert-
8 ing the following:

9 “(b) AUTHORITY TO MAKE LOANS.—

10 “(1) IN GENERAL.—

11 “(A) LOANS FOR NEW UNDERGRADUATE
12 FEDERAL PERKINS LOAN BORROWERS.—
13 Through September 30, 2017, an institution of
14 higher education may make a loan under this
15 part to an eligible undergraduate student who,
16 on the date of disbursement of a loan made
17 under this part, has no outstanding balance of
18 principle or interest on a loan made under this
19 part from the student loan fund established
20 under this part by the institution, but only if
21 the institution has awarded all Federal Direct
22 Loans, as referenced under subparagraphs (A)
23 and (D) of section 455(a)(2), for which such
24 undergraduate student is eligible.

1 “(B) LOANS FOR CURRENT UNDER-
2 GRADUATE FEDERAL PERKINS LOAN BOR-
3 ROWERS.—Through September 30, 2017, an in-
4 stitution of higher education may make a loan
5 under this part to an eligible undergraduate
6 student who, on the date of disbursement of a
7 loan made under this part, has an outstanding
8 balance of principle or interest on a loan made
9 under this part from the student loan fund es-
10 tablished under this part by the institution, but
11 only if the institution has awarded all Federal
12 Direct Stafford Loans as referenced under sec-
13 tion 455(a)(2)(A) for which such undergraduate
14 student is eligible.

15 “(C) LOANS FOR CERTAIN GRADUATE BOR-
16 ROWERS.—Through September 30, 2016, with
17 respect to an eligible graduate student who has
18 received a loan made under this part prior to
19 October 1, 2015, an institution of higher edu-
20 cation that has most recently made such a loan
21 to the student for an academic program at such
22 institution may continue making loans under
23 this part from the student loan fund established
24 under this part by the institution to enable the

1 student to continue or complete such academic
2 program.

3 “(2) NO ADDITIONAL LOANS.—An institution of
4 higher education shall not make loans under this
5 part after September 30, 2017.

6 “(3) PROHIBITION ON ADDITIONAL APPROPRIA-
7 TIONS.—No funds are authorized to be appropriated
8 under this Act or any other Act to carry out the
9 functions described in paragraph (1) for any fiscal
10 year following fiscal year 2015.”; and

11 (C) by striking subsection (c).

12 (2) RULE OF CONSTRUCTION.—Notwith-
13 standing the amendments made under paragraph (1)
14 of this subsection, an eligible graduate borrower who
15 received a disbursement of a loan under part E of
16 title IV of the Higher Education Act of 1965 (20
17 U.S.C. 1087aa et seq.) after June 30, 2016 and be-
18 fore October 1, 2016, for the 2016–2017 award
19 year, may receive a subsequent disbursement of such
20 loan by June 30, 2017, for which the borrower re-
21 ceived an initial disbursement after June 30, 2016
22 and before October 1, 2016.

23 (b) DISTRIBUTION OF ASSETS FROM STUDENT LOAN
24 FUNDS.—Section 466 of the Higher Education Act of
25 1965 (20 U.S.C. 1087ff) is amended—

1 (1) in subsection (a)—

2 (A) in the matter preceding paragraph (1),
3 by striking “After September 30, 2003, and not
4 later than March 31, 2004” and inserting “Be-
5 ginning October 1, 2017”; and

6 (B) in paragraph (1), by striking “Sep-
7 tember 30, 2003” and inserting “September 30,
8 2017”;

9 (2) in subsection (b)—

10 (A) by striking “After October 1, 2012”
11 and inserting “Beginning October 1, 2017”;
12 and

13 (B) by striking “September 30, 2003” and
14 inserting “September 30, 2017”; and

15 (3) in subsection (c)(1), by striking “October 1,
16 2004” and inserting “October 1, 2017”.

17 (c) ADDITIONAL EXTENSIONS NOT PERMITTED.—

18 Section 422 of the General Education Provisions Act (20
19 U.S.C. 1226a) shall not apply to further extend the dura-
20 tion of the authority under paragraph (1) of section
21 461(b) of the Higher Education Act of 1965 (20 U.S.C.
22 1087aa(b)), as amended by subsection (a)(1) of this sec-
23 tion, beyond September 30, 2017, on the basis of the ex-
24 tension under such subsection.

1 **SEC. 3. DISCLOSURE REQUIRED PRIOR TO DISBURSEMENT.**

2 Section 463A(a) of the Higher Education Act of
3 1965 (20 U.S.C. 1087cc-1(a)) is amended—

4 (1) in paragraph (12), by striking “and” after
5 the semicolon;

6 (2) in paragraph (13), by striking the period at
7 the end and inserting a semicolon; and

8 (3) by adding at the end the following:

9 “(14) a notice and explanation regarding the
10 end to future availability of loans made under this
11 part;

12 “(15) a notice and explanation that repayment
13 and forgiveness benefits available to borrowers of
14 loans made under part D are not available to bor-
15 rowers participating in the loan program under this
16 part;

17 “(16) a notice and explanation regarding a bor-
18 rower’s option to consolidate a loan made under this
19 part into a Federal Direct Loan under part D, in-
20 cluding any benefit of such consolidation;

21 “(17) with respect to new undergraduate Fed-
22 eral Perkins loan borrowers, as described in section
23 461(b)(1)(A), a notice and explanation providing a
24 comparison of the interest rates of loans under this
25 part and part D and informing the borrower that
26 the borrower has reached the maximum annual bor-

1 rowing limit for which the borrower is eligible as ref-
2 erenced under subparagraphs (A) and (D) of section
3 455(a)(2); and
4 “ (18) with respect to current undergraduate
5 Federal Perkins loan borrowers, as described in sec-
6 tion 461(b)(1)(B), a notice and explanation pro-
7 viding a comparison of the interest rates of loans
8 under this part and part D and informing the bor-
9 rower that the borrower has reached the maximum
10 annual borrowing limit for which the borrower is eli-
11 gible on Federal Direct Stafford Loans as referenced
12 under section 455(a)(2)(A).”.