

Calendar No. 76

113TH CONGRESS
1ST SESSION**S. 1003**

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

IN THE SENATE OF THE UNITED STATES

MAY 21, 2013

Mr. COBURN (for himself, Mr. BURR, Mr. ALEXANDER, and Mr. ISAKSON)
introduced the following bill; which was read the first time

MAY 22, 2013

Read the second time and placed on the calendar

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”.

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

3 Section 455(b)(7) of the Higher Education Act of
4 1965 (20 U.S.C. 1087e(b)(7)) is amended by adding at
5 the end the following:

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

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

20 “(I) the bond equivalent rate of
21 10-year Treasury bills auctioned at
22 the final auction held prior to such
23 June 1; plus

24 “(II) 3.0 percent.

25 “(ii) CONSULTATION.—The Secretary
26 shall determine the applicable rate of inter-

1 est under this subparagraph after con-
2 sultation with the Secretary of the Treas-
3 ury and shall publish such rate in the Fed-
4 eral Register as soon as practicable after
5 the date of determination.

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

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

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

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

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

22 The budgetary effects of this Act, for the purpose of
23 complying with the Statutory Pay-As-You-Go Act of 2010,
24 shall be determined by reference to the latest statement
25 titled “Budgetary Effects of PAYGO Legislation” for this

1 Act, submitted for printing in the Congressional Record
2 by the Chairman of the Senate Budget Committee, pro-
3 vided that such statement has been submitted prior to the
4 vote on passage.

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