

109TH CONGRESS
2^D SESSION

H. R. 6138

AN ACT

To temporarily extend the programs under the Higher
Education Act of 1965, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Third Higher Edu-
3 cation Extension Act of 2006”.

4 **SEC. 2. EXTENSION OF PROGRAMS.**

5 Section 2(a) of the Higher Education Extension Act
6 of 2005 (P.L. 109–81; 20 U.S.C. 1001 note) is amended
7 by striking “September 30, 2006” and inserting “June
8 30, 2007”.

9 **SEC. 3. ELIGIBLE LENDER TRUSTEE RELATIONSHIPS WITH**
10 **ELIGIBLE INSTITUTIONS.**

11 (a) AMENDMENT.—Section 435(d) of the Higher
12 Education Act of 1965 (20 U.S.C. 1085(d)) is amended
13 by adding at the end the following new paragraph:

14 “(7) ELIGIBLE LENDER TRUSTEES.—Notwith-
15 standing any other provision of this subsection, an
16 eligible lender may not make or hold a loan under
17 this part as trustee for an institution of higher edu-
18 cation, or for an organization affiliated with an in-
19 stitution of higher education, unless—

20 “(A) the eligible lender is serving as trust-
21 ee for that institution or organization as of the
22 date of enactment of the Third Higher Edu-
23 cation Extension Act of 2006 under a contract
24 that was originally entered into before the date
25 of enactment of such Act and that continues in
26 effect or is renewed after such date; and

1 “(B) the institution or organization, and
2 the eligible lender, with respect to its duties as
3 trustee, each comply on and after January 1,
4 2007, with the requirements of paragraph (2),
5 except that—

6 “(i) the requirements of clauses (i),
7 (ii), (vi), and (viii) of paragraph (2)(A)
8 shall, subject to clause (ii) of this subpara-
9 graph, only apply to the institution (includ-
10 ing both an institution for which the lender
11 serves as trustee and an institution affili-
12 ated with an organization for which the
13 lender serves as trustee);

14 “(ii) in the case of an organization af-
15 filiated with an institution—

16 “(I) the requirements of clauses
17 (iii) and (v) of paragraph (2)(A) shall
18 apply to the organization; and

19 “(II) the requirements of clause
20 (viii) of paragraph (2)(A) shall apply
21 to the institution or the organization
22 (or both), if the institution or organi-
23 zation receives (directly or indirectly)
24 the proceeds described in such clause;

1 “(iii) the requirements of clauses (iv)
2 and (ix) of paragraph (2)(A) shall not
3 apply to the eligible lender, institution, or
4 organization; and

5 “(iv) the eligible lender, institution,
6 and organization shall ensure that the
7 loans made or held by the eligible lender as
8 trustee for the institution or organization,
9 as the case may be, are included in a com-
10 pliance audit in accordance with clause
11 (vii) of paragraph (2)(A).”.

12 (b) **EFFECTIVE DATE.**—The amendment made by
13 subsection (a) shall not apply with respect to any loan
14 under part B of title IV of the Higher Education Act of
15 1965 (20 U.S.C. 1071 et seq.) disbursed before January
16 1, 2007.

17 **SEC. 4. HISPANIC-SERVING INSTITUTIONS.**

18 (a) **DEFINITION CHANGES.**—Section 502(a) of the
19 Higher Education Act of 1965 (20 U.S.C. 1101a(a)) is
20 amended—

21 (1) in paragraph (5)—

22 (A) by inserting “and” after the semicolon
23 at the end of subparagraph (A);

24 (B) in subparagraph (B)—

1 (i) by striking “at the time of applica-
2 tion,”; and

3 (ii) by inserting “at the end of the
4 award year immediately preceding the date
5 of application” after “Hispanic students”;

6 (C) by striking “; and” at the end of sub-
7 paragraph (B) and inserting a period; and

8 (D) by striking subparagraph (C); and

9 (2) by striking paragraph (7).

10 (b) **WAIT-OUT PERIOD ELIMINATED.**—Section
11 504(a) of such Act (20 U.S.C. 1101c(a)) is amended to
12 read as follows:

13 “(a) **AWARD PERIOD.**—The Secretary may award a
14 grant to a Hispanic-serving institution under this title for
15 5 years.”.

16 **SEC. 5. GUARANTY AGENCY ACCOUNT MAINTENANCE FEES.**

17 Section 458(b) of the Higher Education Act of 1965
18 (20 U.S.C. 1087h(b)) is amended by striking “shall not
19 exceed” and inserting “shall be calculated on”.

20 **SEC. 6. CANCELLATION OF STUDENT LOAN INDEBTEDNESS**

21 **FOR SURVIVORS OF VICTIMS OF THE SEP-**

22 **TEMBER 11, 2001, ATTACKS.**

23 (a) **DEFINITIONS.**—For purposes of this section:

24 (1) **ELIGIBLE PUBLIC SERVANT.**—The term “el-
25 ible public servant” means an individual who, as

1 determined in accordance with regulations of the
2 Secretary—

3 (A) served as a police officer, firefighter,
4 other safety or rescue personnel, or as a mem-
5 ber of the Armed Forces; and

6 (B) died (or dies) or became (or becomes)
7 permanently and totally disabled due to injuries
8 suffered in the terrorist attack on September
9 11, 2001.

10 (2) ELIGIBLE VICTIM.—The term “eligible vic-
11 tim” means an individual who, as determined in ac-
12 cordance with regulations of the Secretary, died (or
13 dies) or became (or becomes) permanently and to-
14 tally disabled due to injuries suffered in the terrorist
15 attack on September 11, 2001.

16 (3) ELIGIBLE PARENT.—The term “eligible
17 parent” means the parent of an eligible victim if—

18 (A) the parent owes a Federal student loan
19 that is a consolidation loan that was used to
20 repay a PLUS loan incurred on behalf of such
21 eligible victim; or

22 (B) the parent owes a Federal student loan
23 that is a PLUS loan incurred on behalf of an
24 eligible victim.

1 (4) SECRETARY.—The term “Secretary” means
2 the Secretary of Education.

3 (5) FEDERAL STUDENT LOAN.—The term
4 “Federal student loan” means any loan made, in-
5 sured, or guaranteed under part B, D, or E of title
6 IV of the Higher Education Act of 1965.

7 (b) RELIEF FROM INDEBTEDNESS.—

8 (1) IN GENERAL.—The Secretary shall provide
9 for the discharge or cancellation of—

10 (A) the Federal student loan indebtedness
11 of the spouse of an eligible public servant, as
12 determined in accordance with regulations of
13 the Secretary, including any consolidation loan
14 that was used jointly by the eligible public serv-
15 ant and his or her spouse to repay the Federal
16 student loans of the spouse and the eligible
17 public servant;

18 (B) the portion incurred on behalf of the
19 eligible victim (other than an eligible public
20 servant), of a Federal student loan that is a
21 consolidation loan that was used jointly by the
22 eligible victim and his or her spouse, as deter-
23 mined in accordance with regulations of the
24 Secretary, to repay the Federal student loans of
25 the eligible victim and his or her spouse;

1 (C) the portion of the consolidation loan
2 indebtedness of an eligible parent that was in-
3 curred on behalf of an eligible victim; and

4 (D) the PLUS loan indebtedness of an eli-
5 gible parent that was incurred on behalf of an
6 eligible victim.

7 (2) METHOD OF DISCHARGE OR CANCELLA-
8 TION.—A loan required to be discharged or canceled
9 under paragraph (1) shall be discharged or canceled
10 by the method used under section 437(a), 455(a)(1),
11 or 464(c)(1)(F) of the Higher Education Act of
12 1965 (20 U.S.C. 1087(a), 1087e(a)(1),
13 1087dd(c)(1)(F)), whichever is applicable to such
14 loan.

15 (c) FACILITATION OF CLAIMS.—The Secretary
16 shall—

17 (1) establish procedures for the filing of appli-
18 cations for discharge or cancellation under this sec-
19 tion by regulations that shall be prescribed and pub-
20 lished within 90 days after the date of enactment of
21 this Act and without regard to the requirements of
22 section 553 of title 5, United States Code, and sec-
23 tion 437 of the General Education Provisions Act
24 (20 U.S.C. 1232); and

1 (2) take such actions as may be necessary to
2 publicize the availability of discharge or cancellation
3 of Federal student loan indebtedness under this sec-
4 tion.

5 (d) AVAILABILITY OF FUNDS FOR PAYMENTS.—
6 Funds available for the purposes of making payments to
7 lenders in accordance with section 437(a) for the dis-
8 charge of indebtedness of deceased or disabled individuals
9 shall be available for making payments under section
10 437(a) to lenders of loans as required by this section.

11 (e) APPLICABLE TO OUTSTANDING DEBT.—The pro-
12 visions of this section shall be applied to discharge or can-
13 cel only Federal student loans (including consolidation
14 loans) on which amounts were owed on September 11,
15 2001, except that nothing in this section shall be con-
16 strued to authorize any refunding of any repayment of a
17 loan.

18 (f) DEADLINES AND PROCEDURES.—Sections 482(c)
19 and 492 of the Higher Education Act of 1965 (20 U.S.C.
20 1089(c), 1098(a)) shall not apply to any regulations re-
21 quired by this section.

22 **SEC. 7. RULE OF CONSTRUCTION.**

23 Nothing in this Act, or in the Higher Education Ex-
24 tension Act of 2005 as amended by this Act, shall be con-
25 strued to limit or otherwise alter the authorizations of ap-

1 propriations for, or the durations of, programs contained
2 in the amendments made by the Higher Education Rec-
3 onciliation Act of 2005 (P.L. 109–171) to the provisions
4 of the Higher Education Act of 1965 and the Taxpayer-
5 Teacher Protection Act of 2004.

Passed the House of Representatives September 27,
2006.

Attest:

Clerk.

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