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113TH CONGRESS
1ST SESSION

H. R. 3047

To authorize borrowers of loans under the William D. Ford Federal Direct Loan Program to modify the interest rate of such loans to be equal to the interest rate for such loans at the time of modification.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2013

Mr. POCAN introduced the following bill; which was referred to the Committee on Education and the Workforce

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A BILL

To authorize borrowers of loans under the William D. Ford Federal Direct Loan Program to modify the interest rate of such loans to be equal to the interest rate for such loans at the time of modification.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BORROWER MODIFICATION OF INTEREST RATES UNDER THE WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM.

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

"(10) BORROWER MODIFICATION OF INTEREST RATE.—

"(A) MODIFICATION.—Notwithstanding the preceding paragraphs of this subsection, the borrower of a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, a Federal Direct PLUS Loan, or a Federal Direct Consolidation Loan may elect to modify the interest rate of the loan to be equal to the interest rate that would be applicable to such loan if such loan were first disbursed (or in the case of a Federal Direct Consolidation Loan, first applied for) on the date on which such borrower elects to modify the interest rate of such loan.

"(B) FIXED RATE.—Except as provided in subparagraph (C), an interest rate elected under subparagraph (A) for a loan shall be fixed for the life of the loan.

"(C) CONTINUING AUTHORITY TO MODIFY.—A borrower may elect to modify the interest rate of a loan in accordance with subparagraph (A) at any time during the life of the loan.".

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