

points, finance charges, or other similar charges that may be charged, taken, received, or reserved from time to time in any loan, discount, or credit sale made, or upon any note, bill of exchange, financing transaction, or other evidence of debt issued to or acquired by any other lender shall be equal to not more than the greater of the rates described in subparagraph (A) or (B) of paragraph (1).

“(4) OTHER LENDER DEFINED.—For purposes of paragraph (3), the term ‘other lender’ means any person engaged in the business of selling or financing the sale of personal property (and any services incidental to the sale of personal property) in such State, except that, with regard to any person or entity described in such paragraph, such term does not include—

“(A) an insured depository institution; or

“(B) any person or entity engaged in the business of providing a short-term cash advance to any consumer in exchange for—

“(i) a consumer’s personal check or share draft, in the amount of the advance plus a fee, where presentment or negotiation of such check or share draft is deferred by agreement of the parties until a designated future date; or

“(ii) a consumer authorization to debit the consumer’s transaction account, in the amount of the advance plus a fee, where such account will be debited on or after a designated future date.”

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. MCHENRY) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. MCHENRY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

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

There was no objection.

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

Madam Speaker, H.R. 6072, the Financial Services Regulatory Relief Amendments Act of 2006, is similar to the previous legislation passed here in the House by a voice vote.

I want to start by commending Chairman OXLEY and Mr. ROSS, a former member of the Financial Services Committee, for introducing this legislation.

Like our previous legislation we considered a few moments ago here on the House floor, this is one of two provisions from H.R. 3505, the Financial Services Regulatory Relief Act of 2005, which passed this House last March by a 415-2 vote. This, too, makes minor changes to the underlying legislation that we passed previously, I should say.

H.R. 6072 would make minor changes to section 43 of the Federal Deposit Insurance Act. In 1991, Congress directed the Federal Trade Commission to regulate private deposit insurance for credit unions. Federal law allows State-chartered credit unions to have private

insurance, if the State legislature has sanctioned the use of private insurance. Eight States currently allow private insurance for credit unions, including the chairman of the Financial Services Committee, his home State of Ohio. For several years, the Appropriations Committee has barred the FTC from enforcing this law. That has changed now, and the FTC is moving forward with regulations. The agency has requested, however, that we make certain changes to the statute to make their enforcement more efficient. Credit unions support this as well because it would end years of uncertainty and lack of guidance from the Federal Government.

I could go on in further description of the bill, but at this time I would be happy to hear from the ranking member of the Financial Services Committee.

Mr. Speaker, I retain the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from North Carolina has explained one of the provisions. There is another provision, and it deals with the preemption of a provision in the article of the Constitution.

Mr. Speaker, if we were talking about a provision that was statutory in the State of Arkansas or elsewhere, I would not be supportive of preemption. I do not think we should do what legislatures can do, but things have found their way into State Constitutions which it can be difficult to deal with it, and it does seem to me that this particular preemption that I understand is fairly widely supported in Arkansas, which would modify but not completely repeal restrictions on interest that can be charged, is a reasonable one. I think it would be allowed for reasonable transactions.

It would not, and is so worded, is not to allow things that are now abusive like payday loans, and this will now go to the other body and the Senators from Arkansas who decided this.

But it does seem to me that responding to this request from our colleagues to deal with something that is inappropriate, in my judgment, wedged in a Constitution because it is something that should be a matter of legislative policy, not constitutional, that it is okay.

Let me say this: if after we were to do this, if the people of that State or any other State wanted to reassert a certain limitation by legislation, I would agree that would be their right. So I do agree that we should not deal with this constitutional problem, but if they were to decide they wanted to do it legislatively, I would then be prepared to modify this.

□ 2000

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

Mr. MCHENRY. Mr. Speaker, before I close, I want to thank the FTC and the

work of the Financial Services Committee on these provisions within this legislation. I urge my colleagues to support this bill, H.R. 6072

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

The SPEAKER pro tempore (Mr. BURGESS). The question is on the motion offered by the gentleman from North Carolina (Mr. MCHENRY) that the House suspend the rules and pass the bill, H.R. 6072.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

THIRD HIGHER EDUCATION EXTENSION ACT OF 2006

Mr. KELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6138) to temporarily extend the programs under the Higher Education Act of 1965, and for other purposes, as amended.

The Clerk read as follows

H.R. 6138

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 “Third Higher Education Extension Act of 2006”.

SEC. 2. EXTENSION OF PROGRAMS.

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

SEC. 3. ELIGIBLE LENDER TRUSTEE RELATIONSHIPS WITH ELIGIBLE INSTITUTIONS.

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

“(7) ELIGIBLE LENDER TRUSTEES.—Notwithstanding any other provision of this subsection, an eligible lender may not make or hold a loan under this part as trustee for an institution of higher education, or for an organization affiliated with an institution of higher education, unless—

“(A) the eligible lender is serving as trustee for that institution or organization as of the date of enactment of the Third Higher Education Extension Act of 2006 under a contract that was originally entered into before the date of enactment of such Act and that continues in effect or is renewed after such date; and

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

“(i) the requirements of clauses (i), (ii), (vi), and (viii) of paragraph (2)(A) shall, subject to clause (ii) of this subparagraph, only apply to the institution (including both an institution for which the lender serves as trustee and an institution affiliated with an organization for which the lender serves as trustee);

“(ii) in the case of an organization affiliated with an institution—

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

“(II) the requirements of clause (viii) of paragraph (2)(A) shall apply to the institution or the organization (or both), if the institution or organization receives (directly

or indirectly) the proceeds described in such clause;

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

“(iv) the eligible lender, institution, and organization shall ensure that the loans made or held by the eligible lender as trustee for the institution or organization, as the case may be, are included in a compliance audit in accordance with clause (vii) of paragraph (2)(A).”

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

SEC. 4. HISPANIC-SERVING INSTITUTIONS.

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

(1) in paragraph (5)—

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

(B) in subparagraph (B)—

(i) by striking “at the time of application,”; and

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

(C) by striking “; and” at the end of subparagraph (B) and inserting a period; and

(D) by striking subparagraph (C); and

(2) by striking paragraph (7).

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

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

SEC. 5. GUARANTY AGENCY ACCOUNT MAINTENANCE FEES.

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

SEC. 6. CANCELLATION OF STUDENT LOAN INDEBTEDNESS FOR SURVIVORS OF VICTIMS OF THE SEPTEMBER 11, 2001, ATTACKS.

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

(1) **ELIGIBLE PUBLIC SERVANT.**—The term “eligible public servant” means an individual who, as determined in accordance with regulations of the Secretary—

(A) served as a police officer, firefighter, other safety or rescue personnel, or as a member of the Armed Forces; and

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

(2) **ELIGIBLE VICTIM.**—The term “eligible victim” means an individual who, as determined in accordance with regulations of the Secretary, died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001.

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

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

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

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

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

(b) RELIEF FROM INDEBTEDNESS.—

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

(A) the Federal student loan indebtedness of the spouse of an eligible public servant, as determined in accordance with regulations of the Secretary, including any consolidation loan that was used jointly by the eligible public servant and his or her spouse to repay the Federal student loans of the spouse and the eligible public servant;

(B) the portion incurred on behalf of the eligible victim (other than an eligible public servant), of a Federal student loan that is a consolidation loan that was used jointly by the eligible victim and his or her spouse, as determined in accordance with regulations of the Secretary, to repay the Federal student loans of the eligible victim and his or her spouse;

(C) the portion of the consolidation loan indebtedness of an eligible parent that was incurred on behalf of an eligible victim; and

(D) the PLUS loan indebtedness of an eligible parent that was incurred on behalf of an eligible victim.

(2) **METHOD OF DISCHARGE OR CANCELLATION.**—A loan required to be discharged or canceled under paragraph (1) shall be discharged or canceled by the method used under section 437(a), 455(a)(1), or 464(c)(1)(F) of the Higher Education Act of 1965 (20 U.S.C. 1087(a), 1087e(a)(1), 1087dd(c)(1)(F)), whichever is applicable to such loan.

(c) **FACILITATION OF CLAIMS.**—The Secretary shall—

(1) establish procedures for the filing of applications for discharge or cancellation under this section by regulations that shall be prescribed and published within 90 days after the date of enactment of this Act and without regard to the requirements of section 553 of title 5, United States Code, and section 437 of the General Education Provisions Act (20 U.S.C. 1232); and

(2) take such actions as may be necessary to publicize the availability of discharge or cancellation of Federal student loan indebtedness under this section.

(d) **AVAILABILITY OF FUNDS FOR PAYMENTS.**—Funds available for the purposes of making payments to lenders in accordance with section 437(a) for the discharge of indebtedness of deceased or disabled individuals shall be available for making payments under section 437(a) to lenders of loans as required by this section.

(e) **APPLICABLE TO OUTSTANDING DEBT.**—The provisions of this section shall be applied to discharge or cancel only Federal student loans (including consolidation loans) on which amounts were owed on September 11, 2001, except that nothing in this section shall be construed to authorize any refunding of any repayment of a loan.

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

SEC. 7. RULE OF CONSTRUCTION.

Nothing in this Act, or in the Higher Education Extension Act of 2005 as amended by this Act, shall be construed to limit or otherwise alter the authorizations of appropriations for, or the durations of, programs contained in the amendments made by the Higher Education Reconciliation Act of 2005 (P.L. 109-171) to the provisions of the Higher Education Act of 1965 and the Taxpayer-Teacher Protection Act of 2004.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. KELLER) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from Florida.

GENERAL LEAVE

Mr. KELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 6138.

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

There was no objection.

Mr. KELLER. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of H.R. 6138, the Third Higher Education Extension Act of 2006.

Some of the most important programs in the Higher Education Act, such as Pell Grants and Perkins student loans, are set to expire on September 30, 2006. Pell Grants and Perkins loans are the passports out of poverty for millions of worthy young people, and they deserve to be reauthorized. H.R. 6138 ensures that these provisions will not expire at the end of this fiscal year by extending them for another 9 months, through June 30, 2007.

While the House acted on permanent reauthorization of the Higher Education Act by passing H.R. 609, the College Access and Opportunity Act, in March of this year, the Senate has not yet acted. The Senate should soon act to pass their reauthorization bill so we can negotiate a final bill and have these important higher education reforms signed into law. In the meantime, Mr. Speaker, this extension will allow the important programs of the Higher Education Act to continue past their current September 30, 2006, expiration date.

In addition to extending the programs under the Higher Education Act, H.R. 6138 includes additional provisions to benefit students and institutions. Specifically, it reduces red tape for Hispanic-serving institutions by eliminating the 2-year wait-out period between grant applications. The extension repeals an outdated and burdensome requirement that Hispanic-serving institutions document the percentage of low-income students enrolled at the institution.

H.R. 6138 also eliminates the ability of schools to circumvent the new school-as-lender restrictions by forming an eligible lender-trustee relationship. And, finally, it provides loan forgiveness to spouses and parents of those who died or became disabled in the terrorist attacks of September 11, 2001.

Mr. Speaker, I urge my colleagues to vote “yes” on H.R. 6138 because we must not break our commitment to America’s students.

Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume, and I rise today in support of the Higher Education Extension Act.

First, I would like to recognize that there are items in here that we all agree are important and that will help students, including changes to the Hispanic-serving institutions program and

loan forgiveness for 9/11 survivors and their families. These changes will ensure that Hispanic-serving institutions can continue to serve their important role in educating minority students and that families who fell victim to the terrible attacks of September 11 will have welcome financial relief.

Unfortunately, however, this extension is a reminder that we have failed to reauthorize the Higher Education Act, and H.R. 609, passed earlier this year, was only another missed opportunity to help students and families. H.R. 609 failed to restore the \$12 billion raid on student aid that was included in the Budget Reconciliation Act.

These cuts come at a time when college costs are on the rise. At 4-year public colleges and universities, tuition has skyrocketed by 40 percent between 2001 and 2005. Additionally, this is really the first time that we have asked an entire generation to go deeply into debt in order to get a higher education. The typical student leaves college today with \$17,500 in Federal loan debt.

Democrats would also boost the Pell Grant scholarships for students most in need. The value of Pell Grant scholarships are now worth nearly \$1,000 less in inflation-adjusted terms than they were 30 years ago. My friends on the other side of the aisle may say that they have increased Pell Grants, but the only reason there is more appropriated for Pell Grants is because there are more and more students that qualify for those grants.

The only way to ensure that students receive meaningful aid through the Pell Grant program is to restore the purchasing power of the Pell Grant and significantly increase the maximum award.

Mr. Speaker, oftentimes I believe we have lost sight of what the Federal role is for higher education. It is to provide access to any and all qualified students to ensure they can get into higher education if they want to. I urge that we work together to provide real relief to students and families and reverse the raid on student aid.

Mr. Speaker, I reserve the balance of my time.

Mr. KELLER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. McKEON), the chairman of the full Education and Workforce Committee and author of the higher education reauthorization bill.

Mr. McKEON. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of H.R. 6138, a measure to extend the programs under the Higher Education Act that are set to expire at the end of this month.

I thank the chairman of the 21st Century Competitiveness Subcommittee, Mr. KELLER, for his work on this bill as well as his consistent efforts on behalf of our Nation's college students and their families. I also thank Ranking Member KILDEE for his help on this effort of getting this bill reauthorized.

Earlier this year, when the Deficit Reduction Act was signed into law, we authorized the Act's mandatory spending programs. In this process, we reduced lender subsidies, increased loan limits for students, simplified the financial aid process, and provided additional resources for needy students studying math, science, and critical foreign languages in college. And we managed to achieve all that while making certain that student aid programs operate more efficiently, saving U.S. taxpayers billions of dollars.

The House followed in March by passing the College Access and Opportunity Act. This bill would reauthorize the remaining program under the Act. Unfortunately, the Senate has not yet acted on reauthorization legislation of its own. Therefore, the measure before us simply extends these remaining Higher Education Act programs until June 30, 2007, which will give us time to finish up the bill in the next Congress.

Additionally, H.R. 6138 includes benefits for college students and institutions of higher education. For example, this legislation reduces red tape for Hispanic-serving institutions by eliminating the 2-year wait-out period between grant applications. It repeals an outdated and burdensome requirement that Hispanic-serving institutions document the percentage of low-income students enrolled at the institution.

It continues current law with respect to payments made to Guaranty Agencies so that those agencies can continue working to help students avoid defaulting on their loans.

It eliminates the ability of schools to circumvent the Deficit Reduction Act's new school-as-lender restrictions by forming an eligible lender-trustee relationship.

And it provides loan forgiveness to spouses and parents of those who died or became disabled in the September 11, 2001, attacks on our Nation.

These student benefits, coupled with H.R. 6138's extension of vital higher education programs, are worthy of our strong, bipartisan support. At the same time, I am hopeful that our friends on the other side of the Capitol will renew their commitment to a reauthorization of the Higher Education Act. These extensions, and we are now on the fifth in this Congress alone, ought to become a thing of the past.

Mr. Speaker, yesterday, Secretary of Education Spellings outlined her vision for the future of higher education, following the release of a report from the Commission she formed a year ago to recommend ways to ensure our colleges and universities meet the challenges of the 21st century. As we extend these programs today, we should also commit ourselves to review the recommendations of the Commission and work with Secretary Spellings to expand college access and strengthen the quality of higher education in this country.

As I noted, in March, the House passed a reauthorization that I believe

would go a long way toward doing that, even before the report was issued. Our bill would strengthen the Pell Grant program, empower parents and students through sunshine and transparency in college costs and accreditation, improve college access programs, and much more. Now, with the new report in the mix, we have a chance to do so again in the next Congress, potentially with important improvements incorporated between now and then.

I look forward to working with my colleagues on both sides of the aisle and on both sides of the Capitol in completing our work early on in the 110th Congress. In the meantime, however, I urge my colleagues to join me in supporting this extension.

Mr. KILDEE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, almost 3 months ago to the day, I stood in this exact spot and spoke on the extension to the Higher Education Act, as I have done for each of the past four extensions, each time hoping it would be the last short-term measure we needed to pass before we finally produce an improved, bipartisan, and long-overdue reauthorization bill that reflects the best interests of America's college students and the families who support them.

I now rise with a different hope, and an even stronger conviction. It is now my hope that the current flawed version of the Higher Education Act reauthorization passed by the House never takes on the force of law and that during the next session of Congress, under a new majority, we can again address the Higher Ed Act and truly make it about increasing access and affordability.

Recently, Secretary Spellings' Commission on the Future of Higher Education released its final report on the status of postsecondary education. That report highlighted the dire need for increased Federal aid in the form of Pell Grants. It is puzzling that the Commission would release its findings on increasing access and affordability after the House has addressed its version of the Higher Ed Act and at the end of this budget cycle when it is too late this year to help students afford a college education.

I can only hope that the Secretary is planning on briefing the Congress on the Commission's findings and that she would respect this body enough to push for legislative remedies, rather than implementing the Commission's recommendations through negotiated rulemaking. Certainly a comprehensive strategy for postsecondary education that will meet the needs of America's future deserves congressional consideration. Otherwise, it would be an abrogation of our oversight responsibility.

Mr. Speaker, I will vote for the extension that we are considering here today, but I do not support the direction and actions of this Congress as it relates to higher education. We must

do more to ensure that every qualified student has the chance to go to college. Our future depends on nothing less.

Mr. KELLER. Mr. Speaker, I will continue to reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY. Mr. Speaker, I rise in strong support of the Higher Education extension.

I am pleased to see that it includes bipartisan language that provides student loan forgiveness to the spouses of first responders lost or disabled in the terrorist attacks on September 11, 2001.

This year marks the fifth anniversary of 9/11. I first introduced this bill in October, 2001; and I am pleased to see that we have worked together to finally pass this provision. This is long overdue and will provide welcome financial relief to families most affected by 9/11.

Many of the heroes of 9/11 left behind families who had to contend with the loss of a loved one and tremendous financial obligations.

□ 2015

The victims who died or were disabled on 9/11 had their loans forgiven, but that is not the case for their spouses. Anyone who loses a spouse faces severe financial challenges. This bill will help those who relied on their spouse's income to pay off students loans. This bill also works with parents who took out loans for their children's education.

Mr. Speaker, I really would like to say thank you to Ranking Member MILLER and his staff for the work they have done, as well as Chairman MCKEON and his staff for the hard work they have done. I truly appreciate working with them and look forward to next year when we work together to pass the higher education bill. I also thank Mr. KILDEE for helping me out on this.

Mr. Speaker, I urge my colleagues to support this important piece of legislation. Again, working on the Education Committee, we have a lot of challenges. We always face a lot of challenges. But in the end I think we will hopefully work together again when we come back in January and pass some good legislation. I think everybody cares about the children of this Nation, and together we will make it even better.

Mr. KELLER. Mr. Speaker, I continue to reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield 5 minutes to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Speaker, while I intend to cast my vote in support of the Higher Education Act extension, I am extremely concerned about the unintended consequences on students at Nova Southeastern University in my congressional district and many other degree-seeking students that rely on financial assistance.

Nova Southeastern University is the largest independent institution of higher learning in Florida, offering the benefits of education to 25,000 students. Nova Southeastern's student body is unique. Eighty percent are evening and part-time graduate degree-seeking students who participate in the workforce while they are seeking their degree.

Nova ranks first in the Nation in awarding postgraduate degrees to Hispanic students and is among the leaders in awarding advanced degrees to African American students and disadvantaged students who depend on financial assistance to further their education.

Until earlier this year, Nova was also one of the Nation's leading participants in the School as Lenders program. This program allowed Nova to provide hundreds of millions of dollars in low-cost loans to students. Premiums from the sale of these loans provided the university with millions of dollars annually which it used to educate its students. School officials estimate that this year's premiums issued through an Eligible Lender Trustee may be worth as much as \$10 million for the school.

But this is not just about one institution in south Florida. The version of H.R. 6138 that the House will vote on and ultimately pass today threatens to eliminate the ability of every school issuing loans through an Eligible Lender Trustee to control these premiums. Ultimately, the students seeking to improve their lives through higher education will bear the brunt of this change.

H.R. 6138 also eliminates the ability of school lenders and Eligible Lender Trustees to issue low-cost PLUS loans to graduate students. The expensive cost of graduate and professional school programs often requires students to withdraw multiple loans. Eliminating an important source of these loans will drive graduate students to seek more expensive loans, with greater fees and risks to the students.

While the overall goals of this legislation are noble and I support the programs that benefit so many, I encourage Members to carefully review the legislation because some of the provisions will hurt students more than help them and in some cases destroy a young person's dream of a higher education and a better future.

I understand and support this legislation but believe that not every aspect of it includes the rosy picture that has been painted here today.

Mr. KILDEE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time. I thank Mr. KELLER for his fine work working with us on this extension and look forward to continuing to work with him.

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

Mr. Speaker, let me address a couple of things. First let me address some of the comments by the gentlewoman from Florida, my friend and colleague,

Ms. WASSERMAN SCHULTZ. I appreciate the fact that she is going to vote for the ultimate bill here. Just to address some of the School as Lender issues.

All schools in the School as Lender program may continue to operate as they have been. All schools that have an Eligible Lender Trustee agreement in place may continue to operate, but they must comply with the School as Lender program requirements. It is only fair that schools that make loans to their students under the Federal student loan programs comply with the same rules, whether they provide the loans directly or through a trustee.

No student's loan is in jeopardy, every eligible student will get a loan, and it will now be a low-cost loan because of the fierce competition in the student loan market. In fact, because all schools must use the funds earned on these loans for need-based grants, students are the big winners under these rules. Indeed, Senator TED KENNEDY has written a letter to Secretary Spellings on August 1 demanding that this loophole under the School as Lender provision for those Eligible Lender Trustee agreements be eliminated.

Shame on those schools who don't want to use these funds for need-based grants for their students, but instead on their inflated administrative budgets.

Finally, let me just comment on the work that we have done on Pell Grants. Since I was elected in 2000, I can tell you, I am pretty proud of the record of this Congress, Republicans and Democrats, in terms of increasing Pell Grant funding.

Since 2000, we have increased Pell Grants by 71 percent, from \$7.6 billion a year to \$13 billion a year. The maximum award since 2000 has gone up from \$3,300 per student to \$4,050 per student. Since 2000, we have had an increase in enrollment of 36 percent, from 3.9 million students to 5.3 million students. And under the underlying Higher Education Act, we have even strengthened the Pell Grant program further. We have provided for year-round Pell Grants for the first time. We increased the authorization level to \$6,000, the highest amount in history. We have also had Pell-Plus initiatives, to say if you are a high achieving low-income student, you will get an extra \$1,000 your first 2 years; and in your third and fourth year, if you are a high achieving student who is Pell-eligible and you have a 3.0 GPA and you agree to major in math, science or foreign languages, you will get an additional \$4,000 per year. So we have the strongest, most vibrant Pell Grant program in history. It is one that we can all be proud of.

I urge all of my colleagues to vote for this extension because truly Pell Grants and Perkins loans are the passport out of poverty for young people.

Mr. HINOJOSA. Mr. Speaker, I rise to support H.R. 6138, the third extension of the Higher Education Act. Although I would prefer that we would consider a conference report to

complete the reauthorization of the Higher Education Act. I would like to thank the chairman and ranking member for working with me and the Congressional Hispanic Caucus to include two amendments of critical importance to Hispanic-serving institutions.

One amendment would eliminate the 2-year wait out period that interrupts HSI's ability to benefit from the title V Developing Institutions grants. The second amendment will finally put an end to the so-called "50 Percent Rule" that became an intrusive requirement mandating that Hispanic-serving institutions collect and report to the Department of Education individual information on family income and family size for every Hispanic student on campus in order to demonstrate that 50 percent of the Hispanic student enrollment meets the definition of low income.

HSIs already are required to demonstrate that they have a high population of needy students as measured by eligibility for need-based student aid. The 50 percent rule added nothing to the targeting of funds to those with greatest need and only created an administrative nightmare that was a disincentive to participation in the title V program.

The 2-year wait out period and the 50 percent rule have been barriers that have been harmful to the HSI program to the detriment of the institutions and the students they serve. It is high time that we remove these barriers and I am pleased that we will not make our community wait until reauthorization is complete to move forward.

I, along with my colleagues in the Congressional Hispanic Caucus, have been working for over 4 years to remove these barriers.

At the beginning of this Congress, we introduced H.R. 761, the Next Generation Hispanic Serving Institutions Act. This legislation included both of these amendments for HSIs. Our bill also included provisions to establish a long overdue graduate program for HSIs. With the passage of H.R. 6138, we will be two thirds of the way toward our goal. It is my hope that we can complete the job before the 109th Congress adjourns.

Again, I would like to thank the chairman and ranking member as well as my good friend from New Mexico in the other body for working with us to improve the HSI program. These are very important amendments.

I urge my colleagues to support H.R. 6138.

Mr. WELDON of Pennsylvania. Mr. Speaker, I am concerned by the inclusion of provisions in this bill related to eligible trustee relationships with eligible institutions and the negative implications that these provisions will have on the availability of low-cost Federal loans and need-based grants in Pennsylvania and across the Nation.

I am also concerned that this legislation was not discussed with the affected institutions and is being brought to the floor for a vote less than a week after it was introduced.

Nearly 150 institutions of higher education participate as Federal Family Education Loan—FFEL—program lenders to their graduate and professional students, including many of the leading medical and law schools in the country. The financial benefits offered to students who borrow through their institution are better than what was available to students at the institution prior to the school becoming a lender. These institutions are required to pay the loan origination fees or reduce the interest rates that their borrowers are charged, and many institutions choose to do both.

Over the past 8 years, Widener University in my district has been able to provide nearly \$8 million more in grant aid to needy students as a result of its activity as a school lender. Over 90 percent of the students at Widener require financial aid to pursue their studies. In addition, Widener also provided loans at lower costs than Sallie Mae and the big banks and has charged no up-front fees to students borrowing their loans from the university.

The provisions in H.R. 6138 would not allow school lenders to make Graduate PLUS loans to their students after December 31, 2006. The Graduate PLUS loan program has only been available since July 1, 2006, and was designed to replace graduate students' need to borrow higher-cost private loans to cover their remaining need. A number of institutions have sought to meet their borrowers' financing needs through eligible lender trustee arrangements under which a bank originates and holds loans on behalf of a trust established by the institution. The proceeds from the sale and repayment of these loans are used to help students. By continuing to deny school lenders the ability to make Graduate PLUS loans directly and stopping them from making them under trustee arrangements, the bill shifts millions of dollars from funds to help needy students to the profits of the big corporate lenders.

The inability to make Graduate PLUS will result in a loss of over \$50 million need based grant aid for students at the 14 school lenders in Pennsylvania. In addition to Widener University in my district, the University of Pennsylvania, University of Scranton, Drexel, Duquesne, Carnegie Mellon, Temple, University of Pittsburgh, and seven other medical and professional schools in Pennsylvania also participate as school lenders.

In addition, the provisions also impact existing structures that have been in place for many years. A 2005 U.S. Government Accountability Office—GAO—study found a wide diversity in how these institutions finance, administer, and structure their FFEL lending programs. For example, some have used affiliated foundations as the lender because of State laws prohibiting institutions from incurring debt directly or because they have chosen to issue taxable bonds to finance their loans. Some of these arrangements involve eligible lender trustee relationships as well as affiliate organizations. The bill would not allow institutions to use or modify these types of structures after date of enactment.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H.R. 6138, a bill intended to extend the programs under the Higher Education Act of 1965. The Higher Education Act—HEA—authorizes the major Federal student aid programs that are responsible for the majority of financial assistance to postsecondary students.

The provisions in this bill will ensure that the HEA will not expire at the end of this fiscal year by extending its provisions another 9 months through June 30, 2007.

In 1965, the Higher Education Act was established to help low- and middle-income students pursue higher education. Today, the Federal Government invests more than \$70 billion in direct financial aid to students and families, and hundreds of millions of dollars are provided to colleges and universities so that they may better serve their students.

However, it seems as though every time we extend this crucial legislation, the provisions it

contains divert the resources further and further away from where they are most needed. Eighty-six percent of high school graduates from families with incomes over \$80,750 go on to college while only 57 percent of graduates from families earning less than \$33,000 do so. Pell grants and student loans are supposed to help narrow this gap. And yet, when dollar amounts are scoffed at as expenses rather than investments, it is our next generation of doctors, lawyers, teachers, civil servants, and other professionals who suffer.

This will be the fifth time this Congress that we have extended the Higher Education Act. Although I am disappointed that we have not been able to reauthorize this crucial bill, I am pleased that we can manage to keep these programs active for the time being.

In addition to the existing provisions for Pell grants, teacher training, student loans, and distance education, H.R. 6138 contributes further language to increase the accessibility of higher education by: reducing red tape for Hispanic-serving institutions by eliminating the 2-year wait-out period between grant applications; continues funding payments made to guaranty agencies so that those agencies can continue working to help students avoid defaulting on their loans; provides loan forgiveness to spouses and parents of those who died or became disabled in the terrorist attacks of September 11, 2001.

I encourage my colleagues to support this bill.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. KELLER) that the House suspend the rules and pass the bill, H.R. 6138, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ESTHER MARTINEZ NATIVE AMERICAN LANGUAGES PRESERVATION ACT OF 2006

Mr. MCKEON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4766) to amend the Native American Languages Act to provide for the support of Native American language survival schools, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4766

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 "Esther Martinez Native American Languages Preservation Act of 2006".

SEC. 2. EXPANSION OF PROGRAM TO ENSURE THE SURVIVAL AND CONTINUING VITALITY OF NATIVE AMERICAN LANGUAGES.

Section 803C of the Native American Programs Act of 1974 (42 U.S.C. 2991b-3) is amended—

(1) in subsection (b)—

(A) in paragraph (5) by striking "and" at the end,

(B) in paragraph (6) by striking the period at the end and inserting "; and", and