

110TH CONGRESS
1ST SESSION

S. 282

To amend the Higher Education Act of 1965 to reduce over a 5-year period the interest rate on certain undergraduate student loans.

IN THE SENATE OF THE UNITED STATES

JANUARY 12, 2007

Mr. DURBIN (for himself and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to reduce over a 5-year period the interest rate on certain undergraduate 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 “College Student Relief
5 Act of 2007”.

6 **SEC. 2. APPLICABLE INTEREST RATES.**

7 Section 427A(l) of the Higher Education Act of 1965
8 (20 U.S.C. 1077a(l)) is amended—

1 (1) in paragraph (1), by inserting “and subject
2 to paragraph (4)” after “Notwithstanding subsection
3 (h)”; and

4 (2) by adding at the end the following:

5 “(4) SPECIAL RULE FOR SUBSIDIZED UNDER-
6 GRADUATE LOANS.—Notwithstanding subsection (h),
7 with respect to any loan made, insured, or guaran-
8 teed under this part (other than a loan made pursu-
9 ant to section 428B, 428C, or 428H) to or for an
10 undergraduate student for which the first disburse-
11 ment is made on or after—

12 “(A) July 1, 2007, the applicable rate of
13 interest shall be 6.12 percent on the unpaid
14 principal balance of the loan;

15 “(B) July 1, 2008, the applicable rate of
16 interest shall be 5.44 percent on such balance;

17 “(C) July 1, 2009, the applicable rate of
18 interest shall be 4.76 percent on such balance;

19 “(D) July 1, 2010, the applicable rate of
20 interest shall be 4.08 percent on such balance;

21 and

22 “(E) July 1, 2011, the applicable rate of
23 interest shall be 3.40 percent on such balance.”.

○