

103^D CONGRESS
1ST SESSION

H. R. 3376

To make certain technical and conforming amendments to the Higher
Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 27, 1993

Mr. FORD of Michigan (for himself, Mr. GOODLING, Mr. CLAY, Mr. PETRI, Mr. MILLER of California, Mr. GUNDERSON, Mr. MURPHY, Mr. CUNNINGHAM, Mr. KILDEE, Mr. WILLIAMS, Mr. MARTINEZ, Mr. SAWYER, Mr. PAYNE of New Jersey, Mrs. UNSOELD, Mr. ANDREWS of New Jersey, Mr. SCOTT, Mr. ROMERO-BARCELÓ, Mr. DE LUGO, and Mr. UNDERWOOD) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To make certain technical and conforming amendments to
the Higher Education Act of 1965.

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; REFERENCES EFFECTIVE DATES.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Higher Education Technical Amendments of 1993”.

6 (b) REFERENCES.—References in this Act to “the
7 Act” are references to the Higher Education Act of 1965.

1 (c) EFFECTIVE DATES.—Except as otherwise pro-
2 vided therein, the amendments made by this Act shall be
3 effective as if such amendments were included in The
4 Higher Education Amendments of 1992 (Public Law 102–
5 325).

6 **SEC. 2. TECHNICAL AMENDMENTS.**

7 (a) AMENDMENTS TO TITLES I, II, AND III OF THE
8 ACT.—The Act is amended—

9 (1) in section 103(b)(2), by increasing the in-
10 dentation of subparagraphs (A) through (E) by two
11 em spaces;

12 (2) in section 104(b)(5)(C), by striking “sub-
13 part” and inserting “part”;

14 (3) in section 241(a)(2)(B), by striking “infor-
15 mation service” and inserting “information science”;

16 (4) in section 301(a)(2), by striking the comma
17 after “planning”;

18 (5) in section 312(c)(2), by inserting “the” be-
19 fore “second fiscal year” the second place it appears;

20 (6) in section 316(c), by striking “Such pro-
21 grams may include—” and inserting the following:

22 “(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—
23 Such program may include—”;

1 (7) by reducing by two em spaces the indenta-
2 tion of each of the following provisions: sections
3 323(b)(3), 331(a)(2)(D), and 331(b)(5);

4 (8) in section 326(e)(2)—

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

7 (B) by striking subparagraph (B); and

8 (C) by redesignating subparagraph (C) as
9 subparagraph (B);

10 (9) in section 331(b)(2), by reducing the inden-
11 tation of subparagraphs (B) and (C) by four em
12 spaces; and

13 (10) in section 331(b)(5), by striking “an en-
14 dowment” and inserting “An endowment”.

15 (b) AMENDMENTS TO PART A OF TITLE IV OF THE
16 ACT.—Part A of title IV of the Act is amended—

17 (1) in section 401(a)(1), by striking the last
18 sentence;

19 (2) in section 401(b)(6), in the matter preced-
20 ing subparagraph (A), by striking “single 12-month
21 period” and inserting “single award year”;

22 (3) in section 401(b)(6)(A), by striking “a bac-
23 calaureate” and inserting “an associate or bacca-
24 laureate”;

1 (4) in section 401(b)(6)(B), by striking “a
2 bachelor’s” and inserting “an associate or bacca-
3 laureate”;

4 (5) in section 401(b)(8)(A), by striking “(deter-
5 mined in accordance with regulations issued by the
6 Secretary)”;

7 (6) in section 401(i), by striking “part D of
8 title V” and inserting “subtitle D of title V”;

9 (7) in section 402A(b), by striking paragraph
10 (2) and inserting the following:

11 “(2) DURATION.—Grants or contracts made
12 under this chapter shall be awarded for a period of
13 4 years, except that—

14 “(A) the Secretary shall award such grants
15 or contracts for 5 years to applicants whose
16 peer review scores were in the highest 10 per-
17 cent of scores of all applicants receiving grants
18 or contracts in each program competition for
19 the same award year; and

20 “(B) grants made under section 402G
21 shall be awarded for a period of 2 years.”;

22 (8) in section 402A(c)(1), by inserting before
23 the period the following “, except that in the case
24 of the programs authorized in sections 402E and
25 402G, the level of consideration given to prior expe-

1 rience shall be the same as the level of consideration
2 given this factor in the other programs authorized in
3 this chapter”;

4 (9) in section 402A(c)(2)(A), by inserting “with
5 respect to grants made under section 402G, and”
6 after “Except”;

7 (10) in section 402A, by amending subsection
8 (e) to read as follows:

9 “(e) DOCUMENTATION OF STATUS AS A LOW-INCOME
10 INDIVIDUAL.—(1) Except in the case of an independent
11 student, as defined in section 480(d), documentation of
12 an individual’s status pursuant to subsection (g)(2) shall
13 be made by providing the Secretary with—

14 “(A) a signed statement from the individual’s
15 parent or legal guardian;

16 “(B) verification from another governmental
17 source;

18 “(C) a signed financial aid application; or

19 “(D) a signed United States or Puerto Rico in-
20 come tax return.

21 “(2) In the case of an independent student, as de-
22 fined in section 480(d), documentation of an individual’s
23 status pursuant to subsection (g)(2) shall be made by pro-
24 viding the Secretary with—

25 “(A) a signed statement from the individual;

1 “(B) verification from another governmental
2 source;

3 “(C) a signed financial aid application; or

4 “(D) a signed United States or Puerto Rico in-
5 come tax return.”;

6 (11) in section 402C(c), by striking “and for-
7 eign” and inserting “foreign”;

8 (12) in section 402D(c)(2), by striking “ei-
9 ther”;

10 (13) in section 404A(1), by striking “high-
11 school” and inserting “high school”;

12 (14) in section 404B(a)(1)—

13 (A) by striking “section 403C” and insert-
14 ing “section 404D”; and

15 (B) by striking “section 403D” and insert-
16 ing “section 404C”;

17 (15) in section 404B(a)(2), by inserting “shall”
18 after “paragraph (1)”;

19 (16) in section 404C(b)(3)(A), by striking
20 “grades 12” and inserting “grade 12”;

21 (17) in section 404C(b)(3)(D)(i), by striking
22 “section 401D of this subpart” and inserting “sec-
23 tion 402D”;

1 (18) in section 404C(b)(3)(D)(ii), by striking
2 “section 401D of this part” and inserting “section
3 402D”;

4 (19) in section 404D(d)(3), by striking “pro-
5 gram of instruction” and inserting “program of un-
6 dergraduate instruction”;

7 (20) in section 404D(d)(4), by striking “the”
8 the first place it appears;

9 (21) in section 404E(c), by striking “tuition”
10 and inserting “financial”;

11 (22) in section 404F(a), by striking “under this
12 section shall biannually” and inserting “under this
13 chapter shall biennially”;

14 (23) in section 404F(c), by striking “bian-
15 nually” and inserting “biennially”;

16 (24) in section 404G, by striking “an appro-
17 priation” and inserting “to be appropriated”;

18 (25) in section 409A(1), by striking “private fi-
19 nancial” and inserting “private student financial”;

20 (26) in section 413C(d)—

21 (A) by striking “, a reasonable proportion
22 of the institution’s allocation shall be made
23 available to such students, except that” and in-
24 serting “and”; and

1 (B) by striking “5 percent of the need”
2 and inserting “5 percent of the total financial
3 need”;

4 (27) in section 413D(d)(3)(C), by striking
5 “three-fourths in the Pell Grant family size offset”
6 and inserting “150 percent of the difference between
7 the income protection allowance for a family of five
8 with one in college and the income protection allow-
9 ance for a family of six with one in college”;

10 (28) in section 415C(b)(7), by striking the pe-
11 riod at the end and inserting a semicolon;

12 (29) in section 419C(b)—

13 (A) by striking “for a period of not more
14 than 4 years for the first 4 years of study” and
15 inserting “for a period of not less than 1 or
16 more than 4 years during the first 4 years of
17 study”; and

18 (B) by adding at the end the following:

19 “The State educational agency administering the program
20 in a State shall have discretion to determine the period
21 of the award (within the limits specified in the preceding
22 sentence), except that—

23 “(1) if the amount appropriated for this sub-
24 part for any fiscal year exceeds the amount appro-
25 priated for fiscal year 1993, the Secretary shall

1 identify to each State educational agency the num-
2 ber of scholarships available to that State under sec-
3 tion 419D(b) that are attributable to such excess;
4 and

5 “(2) the State educational agency shall award
6 not less than that number of scholarships for a pe-
7 riod of 4 years.”;

8 (30) in section 419D, by adding at the end the
9 following new subsection:

10 “(d) CONSOLIDATION BY INSULAR AREAS PROHIB-
11 ITED.—Notwithstanding section 501 of Public Law 95-
12 1134 (48 U.S.C. 1469a), funds allocated under this part
13 to an Insular Area described in that section shall be
14 deemed to be direct payments to classes of individuals, and
15 the Insular Area may not consolidate such funds with
16 other funds received by the Insular Area from any depart-
17 ment or agency of the United States Government.”; and

18 (31) in section 419G(b), by striking “the Dis-
19 trict of Columbia, the Commonwealth of Puerto
20 Rico,”.

21 (c) AMENDMENTS TO PART B OF TITLE IV OF THE
22 ACT.—Part B of title IV of the Act is amended—

23 (1) in section 422(c)(7), by striking the semi-
24 colon at the end of subparagraph (B) and inserting
25 a period;

1 (2) in section 425(a)(1)(A)—

2 (A) by striking clauses (ii) and (iii) and in-
3 serting the following:

4 “(ii) in the case of a student at an eli-
5 gible institution who has successfully com-
6 pleted such first year but has not success-
7 fully completed the remainder of a pro-
8 gram of undergraduate education—

9 “(I) \$3,500; or

10 “(II) if such student is enrolled
11 in a program of undergraduate edu-
12 cation, the remainder of which is less
13 than one academic year, the maximum
14 annual loan amount that such student
15 may receive may not exceed the
16 amount that bears the same ratio to
17 the amount specified in subclause (I)
18 as such remainder measured in semes-
19 ter, trimester, quarter, or clock hours
20 bears to one academic year;

21 “(iii) in the case of a student at an eli-
22 gible institution who has successfully com-
23 pleted the first and second years of a pro-
24 gram of undergraduate education but has

1 not successfully completed the remainder
2 of such program—

3 “(I) \$5,500; or

4 “(II) if such student is enrolled
5 in a program of undergraduate edu-
6 cation, the remainder of which is less
7 than one academic year, the maximum
8 annual loan amount that such student
9 may receive may not exceed the
10 amount that bears the same ratio to
11 the amount specified in subclause (I)
12 as such remainder measured in semes-
13 ter, trimester, quarter, or clock hours
14 bears to one academic year;” and

15 (B) by striking the semicolon at the end of
16 clause (iv) and inserting a period;

17 (3) in section 425(a)(1), by inserting at the end
18 thereof the following:

19 “(C) For the purpose of subparagraph (A), the
20 number of years that a student has completed in a
21 program of undergraduate education shall include
22 any prior enrollment in an eligible program of un-
23 dergraduate education for which the student was
24 awarded an associate or baccalaureate degree, if
25 such degree is required by the institution for admis-

1 sion to the program in which the student is en-
2 rolled.”;

3 (4) in section 427(a)(2)(C)(i), by inserting
4 “section” before “428B or 428C”;

5 (5) in section 427A(e)(1), by striking “under
6 this part,” and inserting “under section 427, 428, or
7 428H of this part,”;

8 (6) in section 427A(i)(1), by amending sub-
9 paragraph (B) to read as follows:

10 “(B)(i) during any period in which a stu-
11 dent is eligible to have interest payments paid
12 on his or her behalf by the Government pursu-
13 ant to section 428(a), by crediting the excess
14 interest to the Government; or

15 “(ii) during any other period, by crediting
16 such excess interest to the reduction of prin-
17 cipal to the extent provided in paragraph (5) of
18 this subsection.”;

19 (7) in section 427A(i)(2)(B), by striking out
20 “outstanding principal balance” and inserting in lieu
21 thereof “average daily principal balance”;

22 (8) in section 427A(i)(4)(B), by striking out
23 “outstanding principal balance” and inserting in lieu
24 thereof “average daily principal balance”;

25 (9) in section 427A(i)(5)—

1 (A) by striking “paragraph (2)” and in-
2 serting “paragraphs (2) and (4)”;

3 (B) by striking “principle” and inserting
4 “principal”; and

5 (C) by inserting before the period at the
6 end of the second sentence the following: “, but
7 the excess interest shall be calculated and cred-
8 ited to the Secretary”;

9 (10) in section 427A(i), by adding at the end
10 the following new paragraph:

11 “(7) CONVERSION TO VARIABLE RATE.—(A)
12 Subject to subparagraphs (B) and (C), a lender or
13 holder may convert the interest rate on a loan made
14 pursuant to section 428 or 428H that is subject to
15 the provisions of this subsection to a variable rate
16 which is adjusted quarterly. The applicable rate of
17 interest for such loans for each 3-month period be-
18 ginning on January 1, April 1, July 1, or October
19 1, shall be determined on the first day of the month
20 preceding such 3-month period, and shall be equal to
21 (i) the bond equivalent rate of the 91-day Treasury
22 bill auctioned at the final auction held prior to the
23 first day of the month preceding such 3-month pe-
24 riod; plus (ii) 3.25 percent if the first disbursement
25 of the loan occurred prior to July 23, 1992, or 3.10

1 percent if the first disbursement of the loan occurred
2 on or after July 23, 1992.

3 “(B) A lender or holder shall notify the bor-
4 rower within 30 days of the conversion of the loan
5 to a variable interest rate.

6 “(C) The interest rate on a loan converted to
7 a variable rate pursuant to this paragraph shall not
8 exceed the maximum interest rate applicable to the
9 loan prior to such conversion.

10 “(D) Loans on which the interest rate is con-
11 verted in accordance with subparagraph (A) shall
12 not be subject to any other provisions of this sub-
13 section.”;

14 (11) in section 428(a)(2)(C)(i), by striking the
15 period at the end and inserting “; and”;

16 (12) in section 428(a)(2)(E), by inserting “or
17 428H” after “428A”;

18 (13) in section 428(a)(3)(A)(v)—

19 (A) in subclause (I), by striking out “be-
20 fore the first disbursement of the loan; or” and
21 inserting “before the loan is first delivered to
22 the borrower; or”; and

23 (B) in subclause (II), by striking out “be-
24 fore the first disbursement of the loan” and in-

1 serting “before the loan is first delivered to the
2 borrower”;

3 (14) in section 428(b)(1)(A)—

4 (A) by striking clauses (ii) and (iii) and in-
5 serting the following:

6 “(ii) in the case of a student at an eli-
7 gible institution who has successfully com-
8 pleted such first year but has not success-
9 fully completed the remainder of a pro-
10 gram of undergraduate education—

11 “(I) \$3,500; or

12 “(II) if such student is enrolled
13 in a program of undergraduate edu-
14 cation, the remainder of which is less
15 than one academic year, the maximum
16 annual loan amount that such student
17 may receive may not exceed the
18 amount that bears the same ratio to
19 the amount specified in subclause (I)
20 as such remainder measured in semes-
21 ter, trimester, quarter, or clock hours
22 bears to one academic year;

23 “(iii) in the case of a student at an eli-
24 gible institution who has successfully com-
25 pleted the first and second years of a pro-

1 gram of undergraduate education but has
2 not successfully completed the remainder
3 of such program—

4 “(I) \$5,500; or

5 “(II) if such student is enrolled
6 in a program of undergraduate edu-
7 cation, the remainder of which is less
8 than one academic year, the maximum
9 annual loan amount that such student
10 may receive may not exceed the
11 amount that bears the same ratio to
12 the amount specified in subclause (I)
13 as such remainder measured in semes-
14 ter, trimester, quarter, or clock hours
15 bears to one academic year;”;

16 (B) by redesignating clause (iv) as clause
17 (v); and

18 (C) by inserting after clause (iii) the fol-
19 lowing:

20 “(iv) in the case of a student who has
21 received an associate or baccalaureate de-
22 gree and is enrolled in an eligible program
23 for which the institution requires such de-
24 gree for admission, the number of years
25 that a student has completed in a program

1 of undergraduate education shall, for the
2 purposes of clauses (ii) and (iii), include
3 any prior enrollment in the eligible pro-
4 gram of undergraduate education for
5 which the student was awarded such de-
6 gree; and”;

7 (15) in section 428(b)(1)(B), by striking the
8 matter following clause (ii) and inserting the follow-
9 ing:

10 “except that the Secretary may increase the
11 limit applicable to students who are pursuing
12 programs which the Secretary determines are
13 exceptionally expensive;”;

14 (16) in section 428(b)(1), by amending sub-
15 paragraph (N) to read as follows:

16 “(N) provides that funds borrowed by a
17 student—

18 “(i) are disbursed to the institution by
19 check or other means that is payable to,
20 and requires the endorsement or other cer-
21 tification by, such student, unless such stu-
22 dent requests that the check be endorsed,
23 or the funds transfer authorized, pursuant
24 to an authorized power-of-attorney; and

1 “(ii) are, at the request of the stu-
2 dent, disbursed directly to the student by
3 the means described in clause (i), in the
4 case of a student who is studying outside
5 the United States in a program of study
6 abroad that is approved for credit by the
7 home institution at which such student is
8 enrolled or at an eligible foreign institu-
9 tion;”;

10 (17) in section 428(b)(1)(U)—

11 (A) by striking “this clause;” and inserting
12 “this clause”; and

13 (B) by inserting a comma after “emer-
14 gency action” each place it appears;

15 (18) in section 428(b)(1), by striking subpara-
16 graph (V);

17 (19) in section 428(b)(2)(F)(i), by striking
18 “each to provide a separate notice” and inserting “ei-
19 ther jointly or separately to provide a notice”;

20 (20) in section 428(b)(2)(F)(ii), by striking
21 “transferor” and inserting “transferee”;

22 (21) in section 428(b)(2)(F)(ii)(I), by striking
23 “to another holder”;

24 (22) in section 428(b)(2)(F)(ii)(II), by striking
25 “such other” and inserting “the new”;

1 (23) in section 428(b), by striking paragraph
2 (7) and inserting the following:

3 “(7) REPAYMENT PERIOD.—(A) In the case of
4 a loan made under section 427 or 428, the repay-
5 ment period shall exclude any period of authorized
6 deferment or forbearance and shall begin—

7 “(i) the day after 6 months after the date
8 the student ceases to carry at least one-half the
9 normal full-time academic workload (as deter-
10 mined by the institution); or

11 “(ii) on an earlier date if the borrower re-
12 quests and is granted a repayment schedule
13 that provides for repayment to commence at an
14 earlier date.

15 “(B) In the case of a loan made under section
16 428H, the repayment period shall exclude any period
17 of authorized deferment or forbearance, and—

18 “(i) if such loan is made to a borrower
19 that has borrowed a loan made under section
20 427 or 428 for the same period of instruction—

21 “(I) interest shall begin to accrue or
22 be paid by the borrower on the day the
23 loan is disbursed, or, if the loan is dis-
24 bursed in multiple installments, on the day
25 of the last such disbursement; and

1 “(II) the repayment period with re-
2 spect to principal begins in accordance
3 with subparagraph (A); and

4 “(ii) if such loan is made to any other bor-
5 rower, the repayment or accrual of interest
6 shall begin as described in clause (i)(I), but the
7 borrower shall be required to elect whether the
8 repayment of principal shall begin as described
9 in clause (i)(II), or on the day immediately
10 after the student ceases to carry at least one-
11 half the normal full-time academic workload (as
12 determined by the institution).

13 “(C) In the case of a loan made under section
14 428A, 428B, or 428C, the repayment period shall
15 begin on the day the loan is disbursed, or, if the
16 loan is disbursed in multiple installments, on the day
17 of the last such disbursement, and shall exclude any
18 period of authorized deferment or forbearance.”;

19 (24) in section 428(b), by adding at the end
20 thereof the following new paragraph:

21 “(8) MEANS OF DISBURSEMENT OF LOAN PRO-
22 CEEDS.—Nothing in this title shall be interpreted to
23 prohibit the disbursement of loan proceeds by means
24 other than by check or to allow the Secretary to re-

1 quire checks to be made co-payable to the institution
2 and the borrower.”;

3 (25) in section 428(c)(1)(A), by striking the
4 last sentence and inserting the following: “A guar-
5 anty agency shall file a claim for reimbursement
6 with respect to losses under this subsection within
7 45 days after the guaranty agency discharges its in-
8 surance obligation on the loan.”;

9 (26) in section 428(c)(2)(G), by striking “dem-
10 onstrates” and inserting “certifies”;

11 (27) in section 428(c)(3), by striking subpara-
12 graph (A) and inserting the following:

13 “(A) shall contain provisions providing
14 that—

15 “(i) upon written request, a lender
16 shall grant a borrower forbearance, renew-
17 able at 12-month intervals, on terms
18 agreed to in writing by the parties to the
19 loan with the approval of the insurer, and
20 otherwise consistent with the regulations of
21 the Secretary, if the borrower—

22 “(I) is serving in a medical or
23 dental internship or residency pro-
24 gram, the successful completion of
25 which is required to begin professional

1 practice or service, or is serving in a
2 medical or dental internship or resi-
3 dency program leading to a degree or
4 certificate awarded by an institution
5 of higher education, a hospital, or a
6 health care facility that offers post-
7 graduate training, provided that if the
8 borrower qualifies for a deferment
9 under section 427(a)(2)(C)(vii) or
10 subparagraph (M)(vii) of this para-
11 graph as in effect prior to the enact-
12 ment of the Higher Education
13 Amendments of 1992, or section
14 427(a)(2)(C) or subparagraph (M) of
15 this paragraph as amended by such
16 amendments, the borrower has ex-
17 hausted his or her eligibility for such
18 deferment; or

19 “(II) has a debt burden under
20 this title that equals or exceeds 20
21 percent of income;

22 “(ii) the length of the forbearance
23 granted by the lender—

24 “(I) under clause (i)(I) shall
25 equal the length of time remaining in

1 the borrower's medical or dental in-
2 ternship or residency program, if the
3 borrower is not eligible to receive a
4 deferment described in such clause, or
5 such length of time remaining in the
6 program after the borrower has ex-
7 hausted his or her eligibility for such
8 deferment; or

9 “(II) under clause (i)(II) shall
10 not exceed 3 years; and

11 “(iii) no administrative or other fee
12 may be charged in connection with the
13 granting of a forbearance under clause (i),
14 and no adverse information regarding a
15 borrower may be reported to a credit bu-
16 reau organization solely because of the
17 granting of such forbearance;”;

18 (28) in section 428(e)(2)(A)—

19 (A) by striking “(i)”;

20 (B) by striking “(I)” and inserting “(i)”;

21 and

22 (C) by striking “(II)” and inserting “(ii)”;

23 (29) in section 428(j)(2), in the matter preced-
24 ing subparagraph (A), by striking “lender of last re-
25 sort” and inserting “lender-of-last-resort”;

1 (30) in section 428A(b)(1), by striking subpara-
2 graph (B) and inserting the following:

3 “(B) In the case of a student at an eligible
4 institution who has successfully completed such
5 first and second years but has not successfully
6 completed the remainder of a program of un-
7 dergraduate education—

8 “(i) \$5,500; or

9 “(ii) if such student is enrolled in a
10 program of undergraduate education, the
11 remainder of which is less than one aca-
12 demic year, the maximum annual loan
13 amount that such student may receive may
14 not exceed the amount that bears the same
15 ratio to the amount specified in subclause
16 (I) as such remainder measured in semes-
17 ter, trimester, quarter, or clock hours
18 bears to one academic year.”;

19 (31) in section 428A(b)(1)—

20 (A) by redesignating subparagraph (C) as
21 subparagraph (D); and

22 (B) by inserting after subparagraph (B)
23 the following:

24 “(C) For the purposes of this paragraph,
25 the number of years that a student has com-

1 pleted in a program of undergraduate education
2 shall include any prior enrollment in an eligible
3 program of undergraduate education for which
4 the student was awarded an associate or bacca-
5 laureate degree, if such degree is required by
6 the institution for admission to the program in
7 which the student is enrolled.”;

8 (32) in section 428A(b)(3)(B)(i), by striking
9 “section 428” and inserting “sections 428 and
10 428H”;

11 (33) in section 428A(c)(1), by striking “sec-
12 tions 427 or 428(b)” and inserting “section 427 or
13 428(b)”;

14 (34) in section 428B(c)(2), by striking “bor-
15 rower.” and inserting “borrower, and sent to such
16 institution.”;

17 (35) in section 428C(a)(3)(A), by striking “de-
18 linquent or defaulted borrower who will reenter re-
19 payment through loan consolidation” and inserting
20 “defaulted borrower who has made arrangements to
21 repay the obligation on the defaulted loans satisfac-
22 tory to the holders of the defaulted loan”;

23 (36) in section 428C(a)(4)(A), by striking “,
24 except for loans made to parent borrowers under

1 section 428B as in effect prior to the enactment of
2 the Higher Education Amendments of 1986”;

3 (37) in section 428C(a)(4)(C), by striking “part
4 C” and inserting “part A”;

5 (38) in section 428C(c)(2)(A)(vi), by inserting a
6 period after “30 years”;

7 (39) in section 428C(c)(3)(A), by inserting “be
8 an amount” before “equal to”;

9 (40) in section 428F(a)(2)—

10 (A) by striking “this paragraph” and in-
11 serting “paragraph (1) of this subsection”; and

12 (B) by striking “this section” and insert-
13 ing “this subsection”;

14 (41) in section 428F(a)(4), by striking “this
15 paragraph” and inserting “paragraph (1) of this
16 subsection”;

17 (42) in section 428F(b), by adding at the end
18 thereof the following new sentence: “A borrower may
19 only obtain the benefit of this subsection with re-
20 spect to renewed eligibility once.”;

21 (43) in section 428G(c)(3), by striking “dis-
22 bursed” and inserting “disbursed by the lender”;

23 (44) in section 428H(d)(2), by striking sub-
24 paragraph (B) and inserting the following:

1 “(B) in the case of a student at an eligible
2 institution who has successfully completed such
3 first and second years but has not successfully
4 completed the remainder of a program of un-
5 dergraduate education, \$5,000.”;

6 (45) in section 428H(e)(1), by striking “shall
7 commence 6 months after the month in which the
8 student ceases to carry at least one-half the normal
9 full-time workload as determined by the institution.”
10 and inserting “shall begin as described in section
11 428(b)(7)(B).”;

12 (46) in section 428H(e)(4), by striking
13 “427A(e)” and inserting “427A”;

14 (47) in section 428H, by redesignating sub-
15 section (l) as subsection (h);

16 (48) in section 428I(g), by striking “the Fed-
17 eral False Claims Act” and inserting “section 3729
18 of title 31, United States Code,”;

19 (49) in section 428J(b)(1), by striking “sec-
20 tions 428A, 428B, or 428C” and inserting “section
21 428A, 428B, or 428C”;

22 (50) in section 428J(b)(1)(B), by striking
23 “agrees in writing to volunteer for service” and in-
24 serting “serves as a full-time volunteer”;

1 (51) in section 428J(c)(1), by striking “aca-
2 demic year” each place it appears and inserting
3 “year of service”;

4 (52) in the heading for section 428J(d), by
5 striking “OF ELIGIBILITY” and inserting “TO ELIGI-
6 BLE”;

7 (53) in section 428J, by amending subsection
8 (e) to read as follows:

9 “(e) APPLICATION FOR REPAYMENT.—

10 “(1) IN GENERAL.—Each eligible individual de-
11 siring loan repayment under this section shall sub-
12 mit a complete and accurate application to the Sec-
13 retary at such time, in such manner, and containing
14 such information as the Secretary may reasonably
15 require. Loan repayment under this section shall be
16 on a first-come, first-served basis and subject to the
17 availability of appropriations.

18 “(2) CONDITIONS.—An eligible individual may
19 apply for repayment after completing each year of
20 qualifying service. The borrower shall receive for-
21 bearance while engaged in qualifying service.”;

22 (54) in section 430A(f)(1), by striking the
23 comma at the end and inserting a semicolon;

24 (55) in section 432(m)(2)—

1 (A) by striking “DEFERMENT FORM” and
2 inserting “DEFERMENT FORMS”; and

3 (B) by striking “a common deferment re-
4 porting form” and inserting “common
5 deferment reporting forms”;

6 (56) in section 433(b), in the matter preceding
7 paragraph (1), by striking “60 days” and inserting
8 “30 days”;

9 (57) in section 433(e), by striking “section
10 428A, 428B,” and inserting “sections 428A,
11 428B,”;

12 (58) in section 435(d)(2)(D), by striking “lend-
13 er; and” and inserting “lender;”;

14 (59) in section 435(d)(2), by increasing the in-
15 dentation of the matter following subparagraph (F)
16 by two em spaces;

17 (60) in section 435(d)(3), by striking “435(o)”
18 and inserting “435(m)”;

19 (61) in section 435(m)(1)(A), by striking “428
20 or 428A” and inserting “428, 428A, or 428H,”;

21 (62) in section 435(m)(2)(D)—

22 (A) by inserting “(or the portion of a loan
23 made under section 428C that is used to repay
24 a loan made under section 428A)” after “sec-
25 tion 428A” the first place it appears; and

1 (B) by inserting “(or a loan made under
2 section 428C a portion of which is used to
3 repay a loan made under section 428A)” after
4 “section 428A” the second place it appears;
5 (63) in section 437, by amending subsection (b)
6 to read as follows:

7 “(b) PAYMENT OF CLAIMS ON LOANS IN BANK-
8 RUPTCY.—The Secretary shall pay to the holder of a loan
9 described in section 428(a)(1)(A) or (B) or section 428A,
10 428B, 428C, or 428H, the amount of the unpaid balance
11 of principal and interest owed on such loan—

12 “(1) when the borrower files for relief under
13 chapter 12 or 13 of title 11, United States Code;

14 “(2) when the borrower who has filed for relief
15 under chapter 7 or 11 of such title commences an
16 action for a determination of dischargeability under
17 section 523(a)(8)(B) of such title; or

18 “(3) for loans described in section 523(a)(8)(A)
19 of such title, when the borrower files for relief under
20 chapter 7 or 11 of such title.”.

21 (64) in section 437(c)(1)—

22 (A) by striking “If a student borrower”
23 and inserting “If a borrower”;

24 (B) by striking “under this part is unable”
25 and inserting “under this part and the student

1 borrower, or the student on whose behalf a par-
2 ent borrowed, is unable”; and

3 (C) by striking “in which the borrower is
4 enrolled” and inserting “in which such student
5 is enrolled”; and

6 (65) in section 437(c)(4), by adding at the end
7 thereof the following sentence: “The amount of a
8 loan, and interest on a loan, which is canceled under
9 this subsection shall be treated the same as loans
10 under section 465(a)(5) of this title.”

11 (66) in section 437A(a), in the matter preced-
12 ing paragraph (1), by striking “, to the extent of
13 funds appropriated under subsection (d)”;

14 (67) in section 437A(c)(2), by inserting a pe-
15 riod at the end;

16 (68) in section 437A, by striking subsection (e);
17 and

18 (69) in section 439(r)(12), by striking “section
19 522” and inserting “section 552”.

20 (d) AMENDMENT TO PART C OF TITLE IV OF THE
21 ACT.—Part C of title IV of the Act is amended—

22 (1) in section 442(d)(4)(C), by striking “three-
23 fourths in the Pell Grant family size offset” and in-
24 serting “150 percent of the difference between the
25 income protection allowance for a family of five with

1 one in college and the income protection allowance
2 for a family of six with one in college”;

3 (2) in section 442(e)—

4 (A) by inserting “(1)” after the subsection
5 heading; and

6 (B) by adding at the end the following new
7 paragraph:

8 “(2) If, under paragraph (1) of this subsection, an
9 institution returns more than 10 percent of its allocation,
10 the institution’s allocation for the next fiscal year shall
11 be reduced by the amount returned. The Secretary may
12 waive this paragraph for a specific institution if the Sec-
13 retary finds that enforcing this paragraph would be con-
14 trary to the interest of the program.”;

15 (3) in section 443(b)(2)(A), by striking “insti-
16 tution;” and inserting “institution; and”;

17 (4) in section 443(b), by amending paragraph
18 (5) to read as follows:

19 “(5) provide that the Federal share of the com-
20 pensation of students employed in the work-study
21 program in accordance with the agreement shall not
22 exceed 75 percent for academic year 1993–1994 and
23 succeeding academic years, except that the Federal
24 share may exceed such amounts of compensation if
25 the Secretary determines, pursuant to regulations

1 promulgated by the Secretary establishing objective
2 criteria for such determinations, that a Federal
3 share in excess of such amounts is required in fur-
4 therance of the purpose of this part;” and

5 (5) in section 443(b)(8), by striking subpara-
6 graphs (A), (B), and (C) and inserting the following:

7 “(A) that are only on campus and that—

8 “(i) to the maximum extent prac-
9 ticable, complement and reinforce the edu-
10 cation programs or vocational goals of such
11 students; and

12 “(ii) furnish student services that are
13 directly related to the student’s education,
14 as determined by the Secretary pursuant
15 to regulations, except that no student shall
16 be employed in any position that would in-
17 volve the solicitation of other potential stu-
18 dents to enroll in the school; or

19 “(B) in community service in accordance
20 with paragraph (2)(A) of this subsection;”.

21 (e) AMENDMENTS TO PART E OF TITLE IV OF THE
22 ACT.—Part E of title IV of the Act is amended—

23 (1) in section 462(a)(2)(D), by striking “if the
24 institution which has” and inserting “if the institu-
25 tion has”;

1 (2) in section 462(d)(4)(C), by striking “three-
2 fourths in the Pell Grant family size offset” and in-
3 serting “150 percent of the difference between the
4 income protection allowance for a family of five with
5 one in college and the income protection allowance
6 for a family of six with one in college”;

7 (3) in section 462(e), by reducing the indenta-
8 tion of paragraph (2) by two em spaces;

9 (4) in section 462(h)(4), by reducing the inden-
10 tation of subparagraph (B) by two em spaces;

11 (5) in section 463(a)(2)(B)(i)(II), by striking
12 “7.5 percent” and inserting “7.5 percent for award
13 year 1993–1994 and has a cohort default rate which
14 does not exceed 15 percent for award year 1994–
15 1995 or for any succeeding award year”;

16 (6) in section 463(c)(4), by striking “shall dis-
17 close” and inserting “shall at least annually dis-
18 close”;

19 (7) in section 463, by adding at the end the fol-
20 lowing new subsections:

21 “(d) LIMITATION ON USE OF INTEREST BEARING
22 ACCOUNTS.—In carrying out the provisions of subsection
23 (a)(10), the Secretary may not require that any collection
24 agency, collection attorney, or loan servicer collecting
25 loans made under this part deposit amounts collected on

1 such loans in interest bearing accounts, unless such agen-
2 cy, attorney, or servicer holds such amounts for more than
3 45 days.

4 “(e) SPECIAL DUE DILIGENCE RULE.—In carrying
5 out the provisions of subsection (a)(5) relating to due dili-
6 gence, the Secretary shall make every effort to ensure that
7 institutions of higher education may use Internal Revenue
8 Service skip-tracing collection procedures on loans made
9 under this part.”;

10 (8) in section 463A, by striking subsections (d)
11 and (e);

12 (9) in section 464(c)(2)(B) by striking “repay-
13 ment or” and inserting “repayment of”;

14 (10) in section 464(c)(6), by striking
15 “Fullbright” and inserting “Fulbright”;

16 (11) in section 464(e), by striking “principle”
17 and inserting “principal”;

18 (12) in section 465(a)(2)(D), by striking “serv-
19 ices” and inserting “service”;

20 (13) in section 465(a)(2)(F), by striking “or”
21 at the end;

22 (14) in section 465(a), by reducing the indenta-
23 tion of paragraph (6) by 2 em spaces; and

24 (15) in section 466(c), by reducing the indenta-
25 tion of paragraph (2) by two em spaces.

1 (f) AMENDMENTS TO PART F OF TITLE IV OF THE
2 ACT.—Part F of title IV of the Act is amended—

3 (1) in the table contained in sections 475(c)(4)
4 and 477(b)(4), by inserting “\$” before “9,510”;

5 (2) in section 475(f)(3)—

6 (A) by striking “Income in the case of a
7 parent” and inserting “If a parent”;

8 (B) by striking “(1) of this subsection, or
9 a parent” and inserting “(1) of this subsection,
10 or if a parent”; and

11 (C) by striking “is determined as follows:
12 The income” and inserting “the income”;

13 (3) in section 475(g)(1)(B), by inserting a close
14 parentheses after “paragraph (2)”;

15 (4) in the table contained in section 475(g)(3),
16 by adding a last row that is identical to the last row
17 of the table contained in section 476(b)(2);

18 (5) in section 476, by adding at the end thereof
19 the following new subsection:

20 “(d) COMPUTATIONS IN CASE OF SEPARATION, DI-
21 VORCE, OR DEATH.—In the case of a student who is di-
22 vorced or separated, or whose spouse has died, the
23 spouse’s income and assets shall not be considered in de-
24 termining the family’s contribution from income or as-
25 sets.”;

1 (6) in section 477 by adding at the end thereof
2 the following new subsection:

3 “(e) COMPUTATIONS IN CASE OF SEPARATION, DI-
4 VORCE, OR DEATH.—In the case of a student who is di-
5 vorced or separated, or whose spouse has died, the
6 spouse’s income and assets shall not be considered in de-
7 termining the family’s available income or assets.”;

8 (7) in section 478—

9 (A) by striking “1992–1993” each place it
10 appears and inserting “1993–1994”; and

11 (B) in subsection (c)(1), by striking
12 “1992” and inserting “1993”;

13 (8) in section 478(h), by striking “Bureau of
14 Labor Standards” and inserting “Bureau of Labor
15 Statistics”;

16 (9) in section 479(a)(1), by inserting “of” after
17 “(c)”;

18 (10) in section 479(b)(1)(B)(i)—

19 (A) by inserting “(and the student’s
20 spouse, if any)” after “student” each time it
21 appears; and

22 (B) by striking “such”;

23 (11) in section 479(b)(2), by striking “five ele-
24 ments” and inserting “six elements”;

1 (12) in section 479(b)(2)(E), by striking the
2 semicolon and inserting a comma;

3 (13) in section 480(c)(2), by striking “Title”
4 each place it appears and inserting “United States
5 Code, title”;

6 (14) in section 480(d)(2), by inserting “or was
7 a ward of the court until the individual reached the
8 age of 18” prior to the semicolon; and

9 (15) in section 480, by adding at the end the
10 following new subsections:

11 “(k) DEPENDENTS.—(1) Except as otherwise pro-
12 vided, the term ‘dependent of the parent’ means the stu-
13 dent, dependent children of the student’s parents, includ-
14 ing those children who are deemed to be dependent stu-
15 dents when applying for aid under this title, and other
16 persons who live with and receive more than one-half of
17 their support from the parent and will continue to receive
18 more than half of their support from the parent during
19 the award year.

20 “(2) Except as otherwise provided, the term ‘depend-
21 ent of the student’ means the student’s dependent children
22 and other persons (except the student’s spouse) who live
23 with and receive more than one-half of their support from
24 the student and will continue to receive more than half
25 of their support from the student during the award year.

1 “(l) FAMILY SIZE.—(1) In determining family size in
2 the case of a dependent student—

3 “(A) if the parents are not divorced or sepa-
4 rated, family members include the student’s parents,
5 and the dependents of the student’s parents includ-
6 ing the student;

7 “(B) if the parents are divorced or separated,
8 family members include the parent whose income is
9 included in computing available income and that
10 parent’s dependents, including the student; and

11 “(C) if the parents are divorced and the parent
12 whose income is so included is remarried, or if the
13 parent was a widow or widower who has remarried,
14 family members also include, in addition to those in-
15 dividuals referred to in subparagraph (B), the new
16 spouse and any dependents of the new spouse if that
17 spouse’s income is included in determining the par-
18 ents’ adjusted available income.

19 “(2) In determining family size in the case of an inde-
20 pendent student—

21 “(A) family members include the student, the
22 student’s spouse, and the dependents of the student;
23 and

24 “(B) if the student is divorced or separated,
25 family members do not include the spouse (or ex-

1 spouse), but do include the student and the stu-
2 dent's dependents.

3 “(m) BUSINESS ASSETS.—The term ‘business assets’
4 means property that is used in the operation of a trade
5 or business, including real estate, inventories, buildings,
6 machinery, and other equipment, patents, franchise rights,
7 and copyrights.”.

8 (g) AMENDMENTS TO PART G OF TITLE IV OF THE
9 ACT.—Part G of title IV of the Act is amended—

10 (1) in section 481(a)(3)(B), by inserting before
11 the semicolon the following: “, except that the Sec-
12 retary, at the request of such institution, may waive
13 the applicability of this subparagraph to such insti-
14 tution for good cause, as determined by the Sec-
15 retary”;

16 (2) in section 481(a)(3)(D)—

17 (A) by striking “are admitted pursuant to
18 section 484(d)” and inserting “do not have a
19 high school diploma or its recognized equiva-
20 lent”; and

21 (B) by inserting before the period the fol-
22 lowing: “, except that the Secretary may waive
23 the limitation contained in this subparagraph if
24 a nonprofit institution demonstrates to the sat-
25 isfaction of the Secretary that it exceeds such

1 limitation because it serves, through contracts
2 with Federal, State, or local government agen-
3 cies, significant numbers of students who do not
4 have a high school diploma or its recognized
5 equivalent”;

6 (3) in section 481(a)(4), by amending subpara-
7 graph (A) to read as follows:

8 “(A) the institution, or an affiliate of the
9 institution that has the power, by contract or
10 ownership interest, to direct or cause the direc-
11 tion of the management or policies of the insti-
12 tution, has filed for bankruptcy;”;

13 (4) in section 481(d), by amending paragraph
14 (2) to read as follows:

15 “(2) For the purpose of any program under this title,
16 the term ‘academic year’ shall require a minimum of 30
17 weeks of instructional time, and, with respect to an under-
18 graduate course of study, shall require that during such
19 minimum period of instructional time a full-time student
20 is expected to complete at least 24 semester or trimester
21 hours or 36 quarter hours at an institution that measures
22 program length in credit hours, or at least 900 clock hours
23 at an institution that measures program length in clock
24 hours.”;

1 (5) in section 481(e) by striking paragraph (2)
2 and inserting the following:

3 “(2)(A) A program is an eligible program for pur-
4 poses of part B of this title if it is a program of at least
5 300 clock hours of instruction, but less than 600 clock
6 hours of instruction, offered during a minimum of 10
7 weeks, that—

8 “(i) has a completion rate of at least 70 per-
9 cent, as determined in accordance with the regula-
10 tions of the Secretary;

11 “(ii) has a placement rate of at least 70 per-
12 cent, as determined in accordance with the regula-
13 tions of the Secretary; and

14 “(iii) satisfies such further criteria as the Sec-
15 retary may prescribe by regulation.

16 “(B) In the case of a program being determined eligi-
17 ble for the first time under this paragraph, such deter-
18 mination shall be made by the Secretary before such pro-
19 gram is considered to have satisfied the requirements of
20 this paragraph.”;

21 (6) in section 481(f), by striking “State” and
22 inserting “individual, or any State,”;

23 (7) in section 482(c), by adding at the end the
24 following new sentence: “For award year 1994–95,

1 this subsection will not apply to regulatory changes
2 affecting parts B, G, and H of this title.”;

3 (8) in section 483(a)(1), by striking “section
4 411(d)” and inserting “section 401(d)”;

5 (9) in section 483(a)(2), by inserting at the end
6 the following new sentence: “No data collected on a
7 form for which a fee is charged shall be used to
8 complete the form prescribed under paragraph (1).”;

9 (10) in section 483(a)(3), by inserting at the
10 end the following sentence: “Entities designated by
11 institutions of higher education or States to receive
12 such data shall be subject to all requirements of this
13 section, unless such requirements are waived by the
14 Secretary.”;

15 (11) in section 483(f), by striking “address, so-
16 cial security number,” and inserting “address or em-
17 ployer’s address, social security number or employer
18 identification number,”;

19 (12) in section 484(a)(4)(B), by striking the
20 semicolon and inserting the following: “(or if the
21 student is ineligible for or unable to obtain a social
22 security number, such student’s identification num-
23 ber); and ”;

24 (13) in section 484(a)(5), by striking “in the
25 United States for other than a temporary purpose

1 and able to provide evidence from the Immigration
2 and Naturalization Service of his or her intent to be-
3 come a permanent resident” and inserting “able to
4 provide evidence from the Immigration and Natu-
5 ralization Service that he or she is in the United
6 States for other than a temporary purpose with the
7 intention of becoming a citizen or permanent resi-
8 dent”;

9 (14) in section 484(b)(2)—

10 (A) in subparagraph (A), by striking
11 “and”;

12 (B) in subparagraph (B), by striking the
13 period and inserting “; and”; and

14 (C) after subparagraph (B), by inserting:

15 “(C) has applied for a loan under section
16 428H, if eligible.”;

17 (15) in section 484(b)(3), by striking “part B”
18 and inserting “part B or D”;

19 (16) in section 484, by striking subsection (f);

20 (17) in section 484(g), by inserting a comma
21 after “Part D” each place it appears;

22 (18) in section 484(h)(4)(B), by striking “con-
23 stitutes” and inserting “constitute”;

24 (19) in section 484(i)(2)—

1 (A) by striking “(h)(4)(A)(ii)” and insert-
2 ing “(h)(4)(A)(i)”; and

3 (B) by striking “documentation,” and in-
4 serting “documentation, or”;

5 (20) in section 484(i)(3)—

6 (A) by striking “(h)(4)(B)(ii)” and insert-
7 ing “(h)(4)(B)(i)”; and

8 (B) by striking “, or” and inserting a pe-
9 riod;

10 (21) in section 484(i), by striking paragraph
11 (4);

12 (22) in section 484(n), by striking “part B, C,”
13 and inserting “parts B, C,”;

14 (23) in section 484(q)(2), by striking “a correct
15 social security number” and inserting “documented
16 evidence of a social security number that is deter-
17 mined by the institution to be correct”;

18 (24) in section 484B(a), by striking “grant,
19 loan, or work assistance” and inserting “grant or
20 loan assistance”;

21 (25) in section 484B(b)(3), by striking “sub-
22 section (d)” and inserting “subsection (c)”;

23 (26) in section 485(a)(1)(F)(iv), by inserting
24 “under” after “awards”;

1 (27) in section 485(a)(1)(F)(viii), by striking
2 the period;

3 (28) in section 485(a)(1)(F), by striking clause
4 (vi) and redesignating clauses (vii) and (viii) as
5 clauses (vi) and (vii), respectively;

6 (29) in section 485(a)(1)(L), by inserting a
7 comma after “full-time”;

8 (30) in section 485(a)(3), by striking subpara-
9 graph (A) and inserting the following:

10 “(A) shall, for any academic year begin-
11 ning more than 270 days after the Secretary
12 first prescribes final regulations pursuant to
13 such subparagraph (L), be made available to
14 current and prospective students prior to enroll-
15 ing or entering into any financial obligation;”;

16 (31) in paragraphs (1)(A) and (2)(A) of section
17 485(b), by striking “under parts” and inserting
18 “under part”;

19 (32) in section 485(e), by adding at the end the
20 following new paragraph:

21 “(9) This subsection shall not be effective until the
22 first July 1 that follows, by more than 270 days, the date
23 on which the Secretary first prescribes final regulations
24 pursuant to this subsection. The reports required by this
25 subsection shall be due on that July 1 and each succeeding

1 July 1 and shall cover the 1-year period ending June 30
2 of the preceding year.”;

3 (33) in section 485B(a)—

4 (A) by striking “part E” and inserting
5 “parts D and E”; and

6 (B) by striking the second period at the
7 end of the third sentence;

8 (34) in section 485B(a)(4), by striking “part
9 E” and inserting “parts D and E”;

10 (35) in section 485B(c), by striking “part B or
11 part E” and inserting “part B, D, or E”;

12 (36) in section 485B(e), by striking “under this
13 part” each place it appears and inserting “under
14 this title”;

15 (37) in section 487(a)(2), by striking “, or for
16 completing or handling the Federal Student Assist-
17 ance Report”;

18 (38) in section 487(c)(1)(F), by striking “eligi-
19 bility for any program under this title of any other-
20 wise eligible institution,” and inserting “participa-
21 tion in any program under this title of an eligible in-
22 stitution,”;

23 (39) in section 489(a), by striking “484(c)”
24 and inserting “484(h)”; and

1 (40) in section 491(h)(1), by striking “subtitle
2 III” and inserting “subchapter III”.

3 (h) AMENDMENTS TO PART H OF TITLE IV OF THE
4 ACT.—Part H of title IV of the Act is amended—

5 (1) in section 494C(a), by striking the first and
6 second sentences and inserting the following: “The
7 Secretary shall review all eligible institutions of
8 higher education in a State to determine if any such
9 institution meets any of the criteria in subsection
10 (b). If any such institution meets one or more of
11 such criteria, the Secretary shall inform the State in
12 which such institution is located that the institution
13 has met such criteria, and the State shall review the
14 institution pursuant to the standards in subsection
15 (d). The Secretary may determine that a State need
16 not review an institution if such institution only
17 meets the criterion in subsection (b)(10), such insti-
18 tution was previously reviewed by the State under
19 subsection (d), and the State determined in such
20 previous review that the institution did not violate
21 any of the standards in subsection (d).”;

22 (2) in section 494C(i), by striking “sections 428
23 or 487” and inserting “section 428 or 487”;

24 (3) in section 496(a)(2)(A)(i), by inserting “of
25 institutions” after “membership”;

1 (4) in section 496(a)(3)(A), by striking “sub-
2 paragraph (A)” and inserting “subparagraph
3 (A)(i)”;

4 (5) in section 496(a)(5)—

5 (A) by striking the period at the end of
6 subparagraph (L) and inserting a semicolon;
7 and

8 (B) by inserting after subparagraph (L)
9 the following:

10 “except that subparagraphs (G), (H), (I), (J), and (L)
11 shall not apply to agencies or associations described in
12 paragraph (2)(A)(ii) of this subsection;”;

13 (6) in section 496(c), by striking “for the pur-
14 pose of this title” and inserting “as a reliable au-
15 thority as to the quality of education or training of-
16 fered by an institution seeking to participate in the
17 programs authorized under this title”;

18 (7) in section 496(l)(2)—

19 (A) by striking “institution” and insert-
20 ing “institution”; and

21 (B) by striking “association leading to the
22 suspension” and inserting “association, de-
23 scribed in paragraph (2)(A)(i), (2)(B), or
24 (2)(C) of subsection (a) of this section, leading
25 to the suspension”;

1 (8) in section 496(n)(1), by amending subpara-
2 graph (B) to read as follows:

3 “(B) site visits, including unannounced site vis-
4 its as appropriate, at accrediting agencies and asso-
5 ciations, and, at the Secretary’s discretion, at rep-
6 resentative member institutions.”;

7 (9) in section 498(c)(3), by amending subpara-
8 graph (C) to read as follows:

9 “(C) such institution establishes to the satisfac-
10 tion of the Secretary, with the support of a report
11 of an independent certified public accountant pre-
12 pared under generally accepted accounting principles
13 (except as provided herein), that the institution has
14 sufficient resources (which shall include, as a cur-
15 rent asset, the equity in land, buildings, and other
16 facilities owned and occupied by such institution and
17 used to provide the education and training services
18 described in such institution’s official publications
19 and statements) to ensure against precipitous clo-
20 sure, including the ability to meet all of its financial
21 obligations, including refunds of institutional
22 charges and repayments to the Secretary for liabil-
23 ities and debts incurred in programs administered by
24 the Secretary; or”;

1 (10) in section 498(f), by inserting after the
2 second sentence the following: “The Secretary may
3 establish priorities by which institutions are to re-
4 ceive site visits, and may coordinate such visits with
5 site visits by States, guaranty agencies, and accred-
6 iting bodies in order to eliminate duplication, and re-
7 duce administrative burden.”;

8 (11) in section 498(h)(1)(B), by amending
9 clause (iii) to read as follows:

10 “(iii) the Secretary determines that an in-
11 stitution that seeks to renew its certification is,
12 in the judgment of the Secretary, in an admin-
13 istrative or financial condition that may jeop-
14 ardize its ability to perform its financial respon-
15 sibilities under a program participation agree-
16 ment.”;

17 (12) in section 498(h)(3), by striking “the Sec-
18 retary may terminate”; and inserting “the Secretary
19 may, after providing the institution an opportunity
20 to show that the institution meets those responsibil-
21 ities, terminate”;

22 (13) in section 498, by amending subsection
23 (i)(1) to read as follows:

24 “(i) TREATMENT OF CHANGES OF OWNERSHIP.—(1)
25 An eligible institution of higher education that has had

1 a change in ownership resulting in a change of control
2 shall not qualify to participate in programs under this title
3 after the change in control (except as provided in para-
4 graph (3)) unless it establishes that it meets the require-
5 ments of section 481 (other than the requirements in sub-
6 sections (b)(5) and (c)(3)) and this section after such
7 change in control.”;

8 (14) in section 498(i)(3), by amending subpara-
9 graph (A) to read as follows:

10 “(A) the sale or transfer, upon the death of an
11 owner of an institution, of the ownership interest of
12 the deceased in that institution to a family member
13 or to a person holding an ownership interest in that
14 institution; or”;

15 (15) in section 498(j), by amending subsection
16 (j)(1) to read as follows:

17 “(j) TREATMENT OF BRANCHES.—(1) A branch of
18 an eligible institution of higher education, as defined pur-
19 suant to regulations of the Secretary, must be certified
20 under this subpart before it may participate as part of
21 such institution in a program under this title, except that
22 such branch shall not be required to meet the require-
23 ments of sections 481(b)(5) and 481(c)(3) prior to seeking
24 such certification. Such branch is required to be in exist-

1 ence at least 2 years prior to seeking certification as a
2 main campus or free-standing institution.”; and

3 (16) in section 498A(e), by striking “Act,” and
4 inserting “Act”.

5 (i) AMENDMENTS TO TITLES V THROUGH XII OF
6 THE ACT.—The Act is amended—

7 (1) in section 505(b)(2)(D)(iii), by striking the
8 period and inserting a semicolon;

9 (2) in section 525, by striking subsection (c)
10 and inserting the following:

11 “(c) WAIVERS.—For purposes of giving special con-
12 sideration under section 523(d), a State may waive the
13 criteria contained in the first sentence of subsection (b)
14 for up to 25 percent of individuals receiving Paul Douglas
15 Teacher Scholarships on or after July 1, 1993.”;

16 (3) in the first sentence of section 530A—

17 (A) by striking “means” and inserting “is
18 determined both during a scholar’s education
19 and when the scholar begins teaching and
20 means”; and

21 (B) by striking “elementary and secondary
22 school teachers” each place it appears and in-
23 serting “preschool, elementary, and secondary
24 school teachers”;

1 (4) in section 535(b)(1)(C), by striking the
2 semicolon and inserting a period;

3 (5) in section 537(a), by inserting “IN” before
4 “GENERAL”;

5 (6) in section 545(d), by striking “parts B, D,”
6 and inserting “part B, D.”;

7 (7) in section 580B, by striking “(a) Authoriza-
8 tion.—”;

9 (8) in section 581(b)(2), by striking
10 “402A(g)(2)” and inserting “402A(g)”;

11 (9) in section 597(d)(1), by striking “Develop-
12 ment and” and inserting “and Development”;

13 (10) in section 602(a)(3), by striking “(1)(A)”
14 and inserting “(1)”;

15 (11) in section 602(a)(4), by striking “(1)(A)”
16 and inserting “(1)”;

17 (12) in section 603(a), by striking “RE-
18 SOURCES” and inserting “Resource”;

19 (13) in section 607(c), by redesignating the last
20 paragraph as paragraph (3);

21 (14) in section 714, by striking “(a) IN GEN-
22 ERAL.—”;

23 (15) in section 715(b)—

24 (A) by striking “(1) STATE GRANTS.—”;

1 (B) by redesignating subparagraphs (A)
2 and (B) as paragraphs (1) and (2);

3 (C) in paragraph (2) (as so redesignated)
4 by redesignating clauses (i), (ii), and (iii) as
5 subparagraphs (A), (B), and (C), respectively;
6 and

7 (D) by reducing the indentation of such
8 paragraphs (1) and (2) (as so redesignated) by
9 two em spaces;

10 (16) in section 725—

11 (A) by redesignating paragraphs (2)
12 through (5) as subparagraphs (3) through (6),
13 respectively; and

14 (B) by inserting after paragraph (1) the
15 following:

16 “(2) shall require that the first loans for capital
17 projects authorized under section 723 be made no
18 later than March 31, 1994, and that the provisions
19 of part B be administered under the Education De-
20 partment General Administrative Regulations
21 (EDGAR), if final regulations have not been com-
22 pleted by that date to implement the provisions of
23 part B;”

1 (17) in section 726, by inserting a period after
2 “title” the first time it appears and striking the re-
3 mainder of the sentence;

4 (18) in section 731(a), by striking “faculties,”
5 and inserting “faculty,”;

6 (19) in section 731(c), by striking “enactment
7 of”;

8 (20) in section 734(e)—

9 (A) by striking “FACULTIES” and inserting
10 “FACULTY”; and

11 (B) by striking “faculties” and inserting
12 “faculty”;

13 (21) in section 781(b), by striking “Education
14 Amendments of 1992,” and inserting “Education
15 Amendments of 1992”;

16 (22) in section 782(1)(A), by striking “out-
17 patient care of student” and inserting “outpatient
18 care of students”;

19 (23) in the matter preceding paragraph (1) of
20 section 802(b), by inserting after “fiscal year” the
21 following: “the Secretary shall reserve such amount
22 as is necessary to make continuing awards to insti-
23 tutions of higher education that were, on the date of
24 enactment of the Higher Education Amendments of
25 1992, operating an existing cooperative education

1 program under a multiyear project award and to
2 continue to pay to such institutions the Federal
3 share in effect on the day before such date of enact-
4 ment. Of the remainder of the amount appropriated
5 in such fiscal year”;

6 (24) in section 803(b)(6)(A), by striking out
7 “data”;

8 (25) in section 803(e)(2)—

9 (A) by striking “Mexican American” and
10 inserting “Mexican-American”; and

11 (B) by striking “Mariana” and inserting
12 “Marianian”;

13 (26) in section 901(b)(2), by striking “such
14 part” and inserting “such title”;

15 (27) in section 922, by striking subsection (f)
16 and inserting the following:

17 “(f) INSTITUTIONAL PAYMENTS.—(1) The Secretary
18 shall pay to the institution of higher education, for each
19 individual awarded a fellowship under this part at such
20 institution, an institutional allowance. Except as provided
21 in paragraph (2), such allowance shall be—

22 “(A) \$6,000 annually with respect to individ-
23 uals who first received fellowships under this part
24 prior to academic year 1993–1994;

1 “(B) with respect to individuals who first re-
2 ceive fellowships during or after academic year
3 1993–1994—

4 “(i) \$9,000 for the academic year 1993–
5 1994;

6 “(ii) for succeeding academic years, \$9,000
7 adjusted annually thereafter in accordance with
8 inflation as determined by the Department of
9 Labor’s Consumer Price Index for the previous
10 calendar year.

11 “(2) The institutional allowance paid under para-
12 graph (1) shall be reduced by the amount the institution
13 charges and collects from a fellowship recipient for tuition
14 and other expenses as part of the recipient’s instructional
15 program.”;

16 (28) in the second sentence of section
17 923(b)(1), by striking “granting of such fellowships”
18 and all that follows through “set forth in this sec-
19 tion,” and inserting “granting of such fellowships
20 for an additional period of study not to exceed one
21 12-month period.”;

22 (29) in section 923(b)(2), by striking out the
23 second and third sentences and inserting the follow-
24 ing: “Such period shall not exceed a total of 3 years,
25 consisting of not more than 2 years of support for

1 study or research, and not more than 1 year of sup-
2 port for dissertation work provided that the student
3 has attained satisfactory progress prior to the dis-
4 sertation stage, except that the Secretary may pro-
5 vide by regulation for the granting of such fellow-
6 ships for an additional period of study not to exceed
7 one 12-month period, under special circumstances
8 which the Secretary determines would most effec-
9 tively serve the purposes of this part. The Secretary
10 shall make a determination to provide such 12-
11 month extension of an award to an individual fellow-
12 ship recipient for study or research upon review of
13 an application for such extension by the recipient.
14 The institution shall provide 2 years of support for
15 each student following the years of Federal
16 predissertation support under this part. Any student
17 receiving an award for graduate study leading to a
18 doctoral degree shall receive at least 1 year of super-
19 vised training in instruction during his or her doc-
20 toral program.”;

21 (30) in section 923(b), by adding at the end the
22 following new paragraph:

23 “(3) CONTINUATION OF AWARDS UNDER PRIOR
24 LAW.—Notwithstanding any other provision of law,
25 in the case of an individual who was awarded a

1 multiyear fellowship under this part before the date
2 of enactment of the Higher Education Amendments
3 of 1992, awards to such individual for the remainder
4 of such fellowship may, at the discretion of the insti-
5 tution of higher education attended by such individ-
6 ual, be subject to the requirements of this subsection
7 as in effect prior to such date of enactment. The in-
8 stitution shall be required to exercise such discretion
9 at the time that its application to the Secretary for
10 a grant under this part, and the amount of any such
11 grant, are being considered by the Secretary.”;

12 (31) in section 924, by adding at the end there-
13 of the following new sentence: “Notwithstanding any
14 other provision of law, the Secretary may use funds
15 appropriated pursuant to this section for fiscal year
16 1994 to make continuation awards under section
17 923(b)(3) to individuals who would have been eligi-
18 ble for such awards in fiscal year 1993 if such sec-
19 tion had been in effect.”;

20 (32) in section 931(a), by inserting after the
21 first sentence the following new sentence: “These fel-
22 lowships shall be awarded to students intending to
23 pursue a doctoral degree, except that fellowships
24 may be granted to students pursuing a master’s de-
25 gree in those fields in which the master’s degree is

1 commonly accepted as the appropriate degree for a
2 tenured-track faculty position in a baccalaureate de-
3 gree-granting institution.”;

4 (33) in the third sentence of section 932(a)(1),
5 by striking “doctoral” and inserting “graduate”;

6 (34) in section 932(c), by striking “doctoral”
7 and inserting “graduate”;

8 (35) in section 933(b), by striking paragraph
9 (1) and inserting the following:

10 “(1) IN GENERAL.—(A) The Secretary shall (in
11 addition to stipends paid to individuals under this
12 part) pay to the institution of higher education, for
13 each individual awarded a fellowship under this part
14 at such institution, an institutional allowance. Ex-
15 cept as provided in subparagraph (B), such allow-
16 ance shall be—

17 “(i) \$6,000 annually with respect to indi-
18 viduals who first received fellowships under this
19 part prior to academic year 1993–1994;

20 “(ii) with respect to individuals who first
21 receive fellowships during or after academic
22 year 1993–1994—

23 “(I) \$9,000 for the academic year
24 1993–1994;

1 “(II) for succeeding academic years,
2 \$9,000 adjusted annually thereafter in ac-
3 cordance with inflation as determined by
4 the Department of Labor’s Consumer
5 Price Index for the previous calendar year.

6 “(B) The institutional allowance paid under
7 subparagraph (A) shall be reduced by the amount
8 the institution charges and collects from a fellowship
9 recipient for tuition and other expenses as part of
10 the recipient’s instructional program.”;

11 (36) in section 941, by striking “the part” and
12 inserting “this part”;

13 (37) in section 943(b), by striking “foreign lan-
14 guages or area studies” and inserting “foreign lan-
15 guages and area studies”;

16 (38) in section 945, by striking subsection (c)
17 and inserting the following:

18 “(c) TREATMENT OF INSTITUTIONAL PAYMENTS.—
19 An institution of higher education that makes institutional
20 payments for tuition and fees on behalf of individuals sup-
21 ported by fellowships under this part in amounts that ex-
22 ceed the institutional payments made by the Secretary
23 pursuant to section 946(a) may count such payments to-
24 ward the amounts the institution is required to provide
25 pursuant to section 944(b)(2).”;

1 (39) in section 946, by striking subsection (a)
2 and inserting the following:

3 “(f) INSTITUTIONAL PAYMENTS.—(1) The Secretary
4 shall (in addition to stipends paid to individuals under this
5 part) pay to the institution of higher education, for each
6 individual awarded a fellowship under this part at such
7 institution, an institutional allowance. Except as provided
8 in paragraph (2), such allowance shall be—

9 “(A) \$6,000 annually with respect to individ-
10 uals who first received fellowships under this part
11 prior to academic year 1993–1994;

12 “(B) with respect to individuals who first re-
13 ceive fellowships during or after academic year
14 1993–1994—

15 “(i) \$9,000 for the academic year 1993–
16 1994;

17 “(ii) for succeeding academic years, \$9,000
18 adjusted annually thereafter in accordance with
19 inflation as determined by the Department of
20 Labor’s Consumer Price Index for the previous
21 calendar year.

22 “(2) The institutional allowance paid under para-
23 graph (1) shall be reduced by the amount the institution
24 charges and collects from a fellowship recipient for tuition

1 and other expenses as part of the recipient’s instructional
2 program.”;

3 (40) in section 951(a), in the matter preceding
4 paragraph (1), by inserting “Pacific Islanders,”
5 after “Native Americans,”;

6 (41) in section 1004(a), by striking “part” and
7 inserting “subpart”;

8 (42) in section 1011(d), by striking “part” and
9 inserting “subpart”;

10 (43) in part D of title X, by redesignating sec-
11 tion 1181 as section 1081;

12 (44) in section 1081(d) (as so redesignated) by
13 inserting a comma after “this title)” and after “such
14 institutions”;

15 (45) in section 1142(d)(2), by inserting “pro-
16 gram” after “literacy corps”;

17 (46) in section 1201(a), by striking “subpart 3
18 of part H,” and inserting “subpart 2 of part H of
19 title IV of this Act,”;

20 (47) by amending section 1204 to read as fol-
21 lows:

22 “TREATMENT OF TERRITORIES AND TERRITORIAL
23 STUDENT ASSISTANCE

24 “SEC. 1204. (a) The Secretary is required to waive
25 the eligibility criteria of any postsecondary education pro-
26 gram administered by the Department where such criteria

1 do not take into account the unique circumstances in
2 Guam, the Virgin Islands, American Samoa, the Republic
3 of Palau, the Commonwealth of the Northern Mariana Is-
4 lands, and the freely associated states.

5 “(b) Notwithstanding any other provision of law, an
6 institution of higher education that is located in any of
7 the freely associated states, rather than a State, shall be
8 eligible, if otherwise qualified, for assistance under chapter
9 1 of subpart 2 of part A of title IV of this Act.”;

10 (48) in section 1205, in the section heading, by
11 inserting “**NATIONAL ADVISORY**” before “**COM-**
12 **MITTEE**”;

13 (49) in section 1205(a), by inserting “National
14 Advisory” before “Committee” the first place it ap-
15 pears;

16 (50) in paragraphs (1) and (6) of section
17 1205(c), by inserting “of title IV of this Act” after
18 “part H”;

19 (51) in section 1205(f), by striking “Accredita-
20 tion and Institutional Eligibility” and inserting “In-
21 stitutional Quality and Integrity”;

22 (52) in section 1209(f)(1), by striking “the
23 Act” and inserting “this Act”;

24 (53) in title XII, by redesignating section 1211
25 (as added by section 6231 of the Omnibus Trade

1 and Competitiveness Act of 1988) as section 1212;
2 and

3 (54) in section 1212(e)(2) (as so redesignated),
4 by inserting close quotation marks after “facilities”
5 the first place it appears.

6 (j) AMENDMENTS TO THE 1992 AMENDMENTS.—The
7 Higher Education Amendments of 1992 is amended—

8 (1) in section 401(d)(2)(A), by inserting “the
9 first place it appears” before “the following.”;

10 (2) in section 425(d)(1)—

11 (A) by inserting “the second sentence of”
12 after “(1) in”; and

13 (B) by striking “in the second sentence”;

14 (3) in section 425(d)(4)—

15 (A) by inserting “the second sentence of”
16 after “(4) in”; and

17 (B) by striking “in the second sentence”;

18 (4) in section 426(c), by striking “new sub-
19 sections” and inserting “new subsection”;

20 (5) in section 432(a)(3), by striking
21 “427(a)(2)(C) and 428(b)(1)(M)” and inserting

22 “427(a)(2)(C), 428(b)(1)(M), and 428B(d)(1)”;

23 (6) in section 432(a)—

1 (A) by redesignating paragraphs (13),
2 (14), and (15), as paragraphs (14), (15), and
3 (16), respectively; and

4 (B) by inserting immediately after para-
5 graph (12) the following new paragraph:

6 “(13) that the changes made to subsections (a)
7 and (c) of section 435, as they relate to the elimi-
8 nation of vocational schools from the definition of an
9 eligible institution and to the repeal of the definition
10 of a vocational school, shall be effective as of the ef-
11 fective date of final regulations implementing section
12 481(e)(2)(A) of the Act;”;

13 (7) in section 446, by striking subsection (c);

14 (8) in section 465(a), by amending paragraph
15 (1) to read as follows:

16 “(1) in subparagraph (A), by striking ‘and such
17 determination’ and all that follows through ‘such
18 chapter 1’;”;

19 (9) in section 484, by inserting after subsection
20 (h) the following new subsection:

21 “(i) EFFECTIVE DATE.—The amendments made by
22 subsection (g) with respect to the addition of subsection
23 (n) shall be effective on and after December 1, 1987.”;

24 (10) in section 486(a)(3), by striking “section
25 1” and inserting “section 103”;

1 (11) in section 498—

2 (A) by redesignating paragraphs (3), (4),
3 (5), (6), and (7) as paragraphs (4), (5), (6),
4 (7), and (8), respectively;

5 (B) by inserting immediately after para-
6 graph (2) the following new paragraph:

7 “(3) the changes made to section 481(b) and
8 (c), relating to the references to an eligible program,
9 shall be effective as of the effective date of final reg-
10 ulations implementing section 481(e)(2)(A) of the
11 Act;” and

12 (C) by amending paragraph (4) (as reded-
13 icated by subparagraph (A)) to read as fol-
14 lows:

15 “(4) section 481(e), as added by such amend-
16 ments, relating to the definition of an eligible pro-
17 gram, shall be effective as of the effective date of
18 final regulations implementing paragraph (2)(A) of
19 such section;”;

20 (12) in section 1409(b)(1), by striking “the As-
21 bestos Hazard Emergency Response Act” and in-
22 sserting “section 202 of the Toxic Substances Control
23 Act (15 U.S.C. 2642)”;

24 (13) in section 1422(9), by striking “has
25 placed” and inserting “have placed”;

1 (14) in section 1442(c), by striking “Chair-
2 man” and inserting “Chairperson”;

3 (15) in section 1541(g), by striking “edu-
4 cational” and inserting “education”; and

5 (16) in section 1554(a)(1), by striking “4” and
6 inserting “6”.

7 (k) AMENDMENT TO THE 1986 AMENDMENT.—Sec-
8 tion 1507(a)(12) of the Higher Education Amendments
9 of 1986 is amended by striking the period and inserting
10 a semicolon.

11 (l) ACCREDITATION THROUGH TRANSFER OF CRED-
12 IT.—(1) An institution of higher education which satisfied
13 the requirements of section 1201(a)(5)(B) of the Act prior
14 to the enactment of the Higher Education Amendments
15 of 1992, shall be considered to meet the requirements of
16 section 1201(a)(5) of the Act if—

17 (A) within 60 days after the date of enactment
18 of the Higher Education Technical Amendments of
19 1993, such institution has applied for accreditation
20 by a nationally recognized accrediting agency or as-
21 sociation which the Secretary determines, pursuant
22 to subpart 2 of part H of title IV of the Act, to be
23 a reliable authority as to the quality of education or
24 training offered; and

1 (B) within 2 years of the date of enactment of
2 the Higher Education Technical Amendments of
3 1993, such institution is accredited by such an ac-
4 crediting agency or association or, if not so accred-
5 ited, has been granted preaccreditation status by
6 such an agency or association that has been recog-
7 nized by the Secretary for the granting of
8 preaccreditation status, and the Secretary has deter-
9 mined that there is satisfactory assurance that the
10 institution will meet the accreditation standards of
11 such an agency or association within a reasonable
12 time.

13 (2) Paragraph (1) of this subsection shall be effective
14 July 23, 1992.

○

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