

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To provide a complete substitute.

**IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.**

**H. R. 1777**

To make technical corrections to the Higher Education Act of 1965, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by \_\_\_\_\_

Viz:

- 1 Strike all after the enacting clause and insert the fol-
- 2 lowing:
- 3 **SECTION 1. TABLE OF CONTENTS.**
- 4 The table of contents for this Act is as follows:

- Sec. 1. Table of contents.
- Sec. 2. References.
- Sec. 3. Effective date.

TITLE I—GENERAL PROVISIONS

- Sec. 101. General provisions.

TITLE II—TEACHER QUALITY ENHANCEMENT

- Sec. 201. Teacher quality enhancement.

TITLE III—INSTITUTIONAL AID

- Sec. 301. Institutional aid.
- Sec. 302. Multiagency study of minority science programs.

## TITLE IV—STUDENT ASSISTANCE

- Sec. 401. Grants to students in attendance at institutions of higher education.
- Sec. 402. Federal Family Education Loan Program.
- Sec. 403. Federal work-study programs.
- Sec. 404. Federal Direct Loan Program.
- Sec. 405. Federal Perkins Loans.
- Sec. 406. Need analysis.
- Sec. 407. General provisions of title IV.
- Sec. 408. Program integrity.
- Sec. 409. Waiver of master calendar and negotiated rulemaking requirements.

## TITLE V—DEVELOPING INSTITUTIONS

- Sec. 501. Developing institutions.

## TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

- Sec. 601. International education programs.

## TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT

- Sec. 701. Graduate and postsecondary improvement programs.

## TITLE VIII—ADDITIONAL PROGRAMS

- Sec. 801. Additional programs.
- Sec. 802. Amendments to other higher education Acts.

**1 SEC. 2. REFERENCES.**

2       Except as otherwise expressly provided, whenever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the reference shall be considered to be made to a  
6 section or other provision of the Higher Education Act of  
7 1965 (20 U.S.C. 1001 et seq.).

**8 SEC. 3. EFFECTIVE DATE.**

9       Except as otherwise provided in this Act, the amend-  
10 ments made by this Act shall take effect as if enacted on  
11 the date of enactment of the Higher Education Oppor-  
12 tunity Act (Public Law 110–315).

# 1 **TITLE I—GENERAL PROVISIONS**

## 2 **SEC. 101. GENERAL PROVISIONS.**

3 (a) HIGHER EDUCATION OPPORTUNITY ACT.—

4 (1) GENERAL DEFINITION OF INSTITUTION OF  
5 HIGHER EDUCATION.—Section 101(b) of the Higher  
6 Education Opportunity Act (Public Law 110–315) is  
7 amended by striking “July 1, 2010” and inserting  
8 “the date of enactment of this Act”.

9 (2) DEFINITION OF INSTITUTION OF HIGHER  
10 EDUCATION FOR PURPOSES OF TITLE IV PRO-  
11 GRAMS.—Section 102(e) of the Higher Education  
12 Opportunity Act (Public Law 110-315) is amended  
13 by striking the period at the end and inserting “, ex-  
14 cept that, with respect to foreign nursing schools  
15 that were eligible to participate in part B of title IV  
16 as of the day before the date of enactment of this  
17 Act, the amendments made by subsection (a)(1)(D)  
18 shall take effect on July 1, 2012.”.

19 (b) HIGHER EDUCATION ACT OF 1965.—Title I (20  
20 U.S.C. 1001 et seq.) is amended—

21 (1) in section 102(a)(2)(D) (20 U.S.C.  
22 1002(a)(2)(D)), by striking “under part B” and in-  
23 serting “under part B of title IV”;

24 (2) in section 111(b) (20 U.S.C. 1011(b)), by  
25 striking “With” and inserting “with”;

1           (3) in section 131(a)(3)(A)(iii)(I) (20 U.S.C.  
2           1015(a)(3)(A)(iii)(I)), by striking “section  
3           428(a)(2)(C)(i)” and inserting “section  
4           428(a)(2)(C)(ii)”;

5           (4) in section 136(d)(1) (20 U.S.C.  
6           1015e(d)(1)), by striking “(Family Educational  
7           Rights and Privacy Act of 1974)” and inserting  
8           “(commonly known as the ‘Family Educational  
9           Rights and Privacy Act of 1974’)”;

10          (5) in section 141 (20 U.S.C. 1018)—

11                 (A) in the matter preceding subparagraph  
12                 (A) of subsection (c)(3), by striking “under this  
13                 title” and inserting “under title IV”; and

14                 (B) in subsection (d)(3), by striking “ap-  
15                 propriate committees of Congress” and insert-  
16                 ing “authorizing committees”;

17          (6) in section 153(a)(1)(B)(iii)(V) (20 U.S.C.  
18           1019b(a)(1)(B)(iii)(V)), by striking “borrowers who  
19           take out loans under” each place the term appears  
20           and inserting “borrowers of loans made under”; and

21          (7) in section 155(a) (20 U.S.C. 1019d(a)), by  
22           striking paragraph (4) and inserting the following:

23                 “(4) include a place to provide information  
24                 on—

1           “(A) the applicant’s cost of attendance at  
2           the institution of higher education, as deter-  
3           mined by the institution under part F of title  
4           IV;

5           “(B) the applicant’s estimated financial as-  
6           sistance, including amounts of financial assist-  
7           ance used to replace the expected family con-  
8           tribution, as determined by the institution, in  
9           accordance with title IV, for students who have  
10          completed the Free Application for Federal Stu-  
11          dent Aid; and

12          “(C) the difference between the amounts  
13          under subparagraphs (A) and (B), as applica-  
14          ble; and”.

## 15           **TITLE II—TEACHER QUALITY** 16           **ENHANCEMENT**

### 17   **SEC. 201. TEACHER QUALITY ENHANCEMENT.**

18          Title II (20 U.S.C. 1021 et seq.) is amended—

19           (1) in section 200(22) (20 U.S.C. 1021(22)), by  
20          striking subparagraph (D) and inserting the fol-  
21          lowing:

22           “(D) prior to completion of the program—

23           “(i) attains full State certification or  
24          licensure and becomes highly qualified; and

1                   “(ii) acquires a master’s degree not  
2                   later than 18 months after beginning the  
3                   program.”;

4                   (2) in section 202 (20 U.S.C. 1022a)—

5                   (A) in subsection (b)(6)(E)(ii), by striking  
6                   “section 1111(b)(2)” and inserting “section  
7                   1111(b)(1)”;

8                   (B) in subsection (c)(1), by striking “pre-  
9                   baccalaureate”;

10                  (C) in subsection (d)—

11                   (i) in the heading, by striking “PRE-  
12                   BACCALAUREATE” and inserting “THE”;  
13                   and

14                   (ii) in the matter preceding paragraph  
15                   (1), by striking “An eligible partnership  
16                   that receives a grant to carry out an effec-  
17                   tive program for the pre-baccalaureate  
18                   preparation of teachers shall carry out a  
19                   program that includes all of the following:”  
20                   and inserting “An eligible partnership that  
21                   receives a grant to carry out a program for  
22                   the preparation of teachers shall carry out  
23                   an effective pre-baccalaureate teacher  
24                   preparation program or a 5th year initial

1                   licensing program that includes all of the  
2                   following:”;

3                   (D) in subsection (e)(2)—

4                         (i) in subparagraph (A)(ii), by strik-  
5                   ing “to earn” and inserting “leading to”;  
6                   and

7                         (ii) in subparagraph (C)—

8                                 (I) in clause (i), by striking “one-  
9                   year” before “teaching residency pro-  
10                  gram”; and

11                                (II) in clause (iii)(I), by striking  
12                  “one-year”; and

13                   (E) in subsection (i)(3), by striking “con-  
14                  sent of” and inserting “consent to”; and

15                  (3) in section 231(a)(1) (20 U.S.C.  
16                  1032(a)(1)), by striking “serve graduate” and in-  
17                  serting “assist in the graduation of”.

## 18       **TITLE III—INSTITUTIONAL AID**

### 19       **SEC. 301. INSTITUTIONAL AID.**

20                  Title III (20 U.S.C. 1051 et seq.) is amended—

21                         (1) in section 316 (20 U.S.C. 1059e)—

22                                 (A) in subsection (a), by striking “Indian  
23                  Tribal” and inserting “Tribal”; and

24                                 (B) in subsection (b)—

1 (i) in paragraph (1), by striking “the  
2 Tribally Controlled College or University  
3 Assistance Act of 1978” and inserting “the  
4 Tribally Controlled Colleges and Univer-  
5 sities Assistance Act of 1978”;

6 (ii) in paragraph (2), by striking “the  
7 Tribally Controlled College or University  
8 Assistance Act of 1978” and inserting “the  
9 Tribally Controlled Colleges and Univer-  
10 sities Assistance Act of 1978”; and

11 (iii) in paragraph (3)(A), by striking  
12 “the Navajo Community College Assistance  
13 Act of 1978” and inserting “the Navajo  
14 Community College Act”;

15 (2) in section 318(b)(1) (20 U.S.C.  
16 1059e(b)(1)), by striking subparagraph (F) and in-  
17 serting the following:

18 “(F) is not receiving assistance under—

19 “(i) part B;

20 “(ii) part A of title V; or

21 “(iii) an annual authorization of ap-  
22 propriations under the Act of March 2,  
23 1867 (14 Stat. 438; 20 U.S.C. 123).”;

1           (3) in section 323(a) (20 U.S.C. 1062(a)), in  
2           the matter preceding paragraph (1), by striking “in  
3           any fiscal year” and inserting “for any fiscal year”;

4           (4) in section 324(d) (20 U.S.C. 1063(d))—

5                 (A) by redesignating paragraphs (1) and  
6                 (2) as subparagraphs (A) and (B), respectively;

7                 (B) by striking “Notwithstanding sub-  
8                 sections (a)” and inserting “(1) Notwith-  
9                 standing subsections (a)”;

10                (C) by adding at the end the following:

11           “(2) If the amount appropriated pursuant to section  
12 399(a)(2)(A) for any fiscal year is not sufficient to pay  
13 the minimum allotment required by paragraph (1) to all  
14 part B institutions, the amount of such minimum allot-  
15 ments shall be ratably reduced. If additional sums become  
16 available for such fiscal year, such reduced allocations  
17 shall be increased on the same basis as the basis on which  
18 they were reduced (until the amount allotted equals the  
19 minimum allotment required by paragraph (1)).”;

20           (5) in section 351(a) (20 U.S.C. 1067a(a))—

21                 (A) by striking “section 304(a)(1)” and in-  
22                 serting “section 303(a)(1)”;

23                 (B) by striking “of 1979”;

24           (6) in section 355(a) (20 U.S.C. 1067e(a)), by  
25           striking “302” and inserting “312”;

1 (7) in section 371(c) (20 U.S.C. 1067q(c))—

2 (A) in paragraph (3)(D), by striking  
3 “402A(g)” and inserting “402A(h)”;

4 (B) in paragraph (4), by striking  
5 “402A(g)” and inserting “402A(h)”; and

6 (C) in paragraph (9)—

7 (i) in subparagraph (C)(iii), by strik-  
8 ing “402A(g)” and inserting “402A(h)”;  
9 and

10 (ii) by amending subparagraph (F) to  
11 read as follows:

12 “(F) is not receiving assistance under—

13 “(i) part B;

14 “(ii) part A of title V; or

15 “(iii) an annual authorization of ap-  
16 propriations under the Act of March 2,  
17 1867 (14 Stat. 438; 20 U.S.C. 123).”;

18 (8) in section 392(a)(6) (20 U.S.C.  
19 1068a(a)(6)), by striking “College or University”  
20 and inserting “Colleges and Universities”.

21 **SEC. 302. MULTIAGENCY STUDY OF MINORITY SCIENCE**  
22 **PROGRAMS.**

23 Section 1024 (20 U.S.C. 1067d) is repealed.

1 **TITLE IV—STUDENT ASSISTANCE**

2 **SEC. 401. GRANTS TO STUDENTS IN ATTENDANCE AT INSTI-**  
3 **TUTIONS OF HIGHER EDUCATION.**

4 (a) AMENDMENTS.—Part A of title IV (20 U.S.C.  
5 1070 et seq.) is amended—

6 (1) in section 400(b) (20 U.S.C. 1070(b)), by  
7 striking “1 through 8” and inserting “1 through 9”;

8 (2) in section 401 (20 U.S.C. 1070a)—

9 (A) in the second sentence of subsection  
10 (a)(1), by striking “manner,,” and inserting  
11 “manner,”;

12 (B) in subsection (b)(1), by striking “sec-  
13 tion 401” and inserting “this section”; and

14 (C) in subsection (b)(9)(A)—

15 (i) in clause (vi), by striking  
16 “\$105,000,000” and inserting  
17 “\$258,000,000”; and

18 (ii) in clause (viii), by striking  
19 “\$4,400,000,000” and inserting  
20 “\$4,452,000,000”;

21 (3) by striking paragraph (4) of section 401(f)  
22 (20 U.S.C. 1070a(f)), as added by section 401(e) of  
23 the Higher Education Opportunity Act (Public Law  
24 110–315);

25 (4) in section 402A (20 U.S.C. 1070a–11)—

1 (A) in subsection (b)(1), by striking “orga-  
2 nizations including” and inserting “organiza-  
3 tions, including”; and

4 (B) in subsection (c)(8)(C)(iv)(I), by in-  
5 serting “to be” after “determined”;

6 (5) in section 402E(d)(2)(C) (20 U.S.C.  
7 1070a–15(d)(2)(C)), by striking “320.” and insert-  
8 ing “320”;

9 (6) in section 415E(b)(1)(B) (20 U.S.C.  
10 1070c–3a(b)(1)(B))—

11 (A) in clause (i), by striking “If a” and in-  
12 serting “Except as provided in clause (ii), if a”;

13 (B) by redesignating clause (ii) as clause  
14 (iii); and

15 (C) by inserting after clause (i) (as amend-  
16 ed by subparagraph (A)) the following:

17 “(ii) SPECIAL CONTINUATION AND  
18 TRANSITION RULE.—If a State that ap-  
19 plied for and received an allotment under  
20 this section for fiscal year 2010 pursuant  
21 to subsection (j) meets the specifications  
22 established in the State’s application under  
23 subsection (c) for fiscal year 2011, then  
24 the Secretary shall make an allotment to  
25 such State for fiscal year 2011 that is not

1 less than the allotment made pursuant to  
2 subsection (j) to such State for fiscal year  
3 2010 under this section (as this section  
4 was in effect on the day before the date of  
5 enactment of the Higher Education Oppor-  
6 tunity Act (Public Law 110–315)).”;

7 (7) in section 419C(b)(1) (20 U.S.C. 1070d–  
8 33(b)(1)), by inserting “and” after the semicolon at  
9 the end;

10 (8) in section 419D(d) (20 U.S.C. 1070d–  
11 34(d)), by striking “1134” and inserting “134”; and

12 (9) by adding at the end the following:

13 **“Subpart 10—Scholarships for Veteran’s Dependents**

14 **“SEC. 420R. SCHOLARSHIPS FOR VETERAN’S DEPENDENTS.**

15 “(a) DEFINITION OF ELIGIBLE VETERAN’S DEPEND-  
16 ENT.—The term ‘eligible veteran’s dependent’ means a de-  
17 pendent or an independent student—

18 “(1) whose parent or guardian was a member  
19 of the Armed Forces of the United States and died  
20 as a result of performing military service in Iraq or  
21 Afghanistan after September 11, 2001; and

22 “(2) who, at the time of the parent or guard-  
23 ian’s death, was—

24 “(A) less than 24 years of age; or

1                   “(B) enrolled at an institution of higher  
2                   education on a part-time or full-time basis.

3                   “(b) GRANTS.—

4                   “(1) IN GENERAL.—The Secretary shall award  
5                   a grant to each eligible veteran’s dependent to assist  
6                   in paying the eligible veteran’s dependent’s cost of  
7                   attendance at an institution of higher education.

8                   “(2) DESIGNATION.—Grants made under this  
9                   section shall be known as ‘Iraq and Afghanistan  
10                  Service Grants’.

11                  “(c) PREVENTION OF DOUBLE BENEFITS.—No eligi-  
12                  ble veteran’s dependent may receive a grant under both  
13                  this section and section 401.

14                  “(d) TERMS AND CONDITIONS.—The Secretary shall  
15                  award grants under this section in the same manner, and  
16                  with the same terms and conditions, including the length  
17                  of the period of eligibility, as the Secretary awards Federal  
18                  Pell Grants under section 401, except that—

19                         “(1) the award rules and determination of need  
20                         applicable to the calculation of Federal Pell Grants,  
21                         shall not apply to grants made under this section;

22                         “(2) the provisions of subsection (a)(3), sub-  
23                         section (b)(1), the matter following subsection  
24                         (b)(2)(A)(v), subsection (b)(3), and subsection (f), of  
25                         section 401 shall not apply; and

1           “(3) a grant made under this section to an eli-  
2           gible veteran’s dependent for any award year shall  
3           equal the maximum Federal Pell Grant available for  
4           that award year, except that such a grant under this  
5           section—

6                   “(A) shall not exceed the cost of attend-  
7                   ance of the eligible veteran’s dependent for that  
8                   award year; and

9                   “(B) shall be adjusted to reflect the at-  
10                  tendance by the eligible veteran’s dependent on  
11                  a less than full-time basis in the same manner  
12                  as such adjustments are made under section  
13                  401.

14           “(e) ESTIMATED FINANCIAL ASSISTANCE.—For pur-  
15           poses of determinations of need under part F, a grant  
16           awarded under this section shall not be treated as esti-  
17           mated financial assistance as described in sections 471(3)  
18           and 480(j).

19           “(f) AUTHORIZATION AND APPROPRIATIONS OF  
20           FUNDS.—There are authorized to be appropriated, and  
21           there are appropriated, out of any money in the Treasury  
22           not otherwise appropriated, for the Secretary to carry out  
23           this section, such sums as may be necessary for fiscal year  
24           2010 and each succeeding fiscal year.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a)(9) shall take effect on July 1, 2010.

3 (c) HIGHER EDUCATION OPPORTUNITY ACT.—Sec-  
4 tion 404 of the Higher Education Opportunity Act (Public  
5 Law 110–315) is amended by adding at the end the fol-  
6 lowing new subsection:

7 “(i) EFFECTIVE DATE; TRANSITION.—

8 “(1) IN GENERAL.—The amendments made by  
9 subsection (e) shall apply to grants made under  
10 chapter 2 of subpart 2 of part A of title IV of the  
11 Higher Education Act of 1965 (20 U.S.C. 1070a–21  
12 et seq.) on or after the date of enactment of this  
13 Act, except that a recipient of a grant under such  
14 chapter that is made prior to such date may elect to  
15 apply the requirements contained in the amendments  
16 made by subsection (e) to that grant if the grant re-  
17 cipient informs the Secretary of the election.

18 “(2) SPECIAL RULE.—A grant recipient may  
19 make the election described in paragraph (1) only if  
20 the election does not decrease the amount of the  
21 scholarship promised to an individual student under  
22 the grant.”.

23 **SEC. 402. FEDERAL FAMILY EDUCATION LOAN PROGRAM.**

24 (a) AMENDMENT TO PROVISION AMENDED BY THE  
25 COLLEGE COST REDUCTION AND ACCESS ACT.—

1           (1) IN GENERAL.—Section 428(b)(1)(G)(i) (20  
2 U.S.C. 1078(b)(1)(G)(i)), as amended by section  
3 303 of the College Cost Reduction and Access Act  
4 (Public Law 110–84), is amended by striking “or  
5 439(q)”.

6           (2) EFFECTIVE DATE.—The amendment made  
7 by paragraph (1) shall be effective as if enacted as  
8 part of the amendment in section 303(a) of the Col-  
9 lege Cost Reduction and Access Act (Public Law  
10 110–84), shall take effect on October 1, 2012, and  
11 shall apply with respect to loans made on or after  
12 such date.

13 (b) ENTRANCE COUNSELING FUNCTIONS.—

14           (1) GUARANTY AGENCIES.—Section 428(b)(3)  
15 (20 U.S.C. 1078(b)(3)) is amended—

16           (A) in subparagraph (C), by inserting “or  
17 485(l)” after “section 485(b)”; and

18           (B) in subparagraph (D), by inserting “or  
19 485(l)” after “section 485(b)”.

20           (2) ELIGIBLE LENDERS.—Section 435(d)(5)  
21 (20 U.S.C. 1085(d)(5)) is amended—

22           (A) in subparagraph (E), by inserting “or  
23 485(l)” after “section 485(b)”; and

24           (B) in subparagraph (F), by inserting “or  
25 485(l)” after “section 485(b)”.

1 (c) AMENDMENT TO PROVISION AMENDED BY THE  
2 HIGHER EDUCATION OPPORTUNITY ACT.—

3 (1) IN GENERAL.—Section 428C(c)(3)(A) (20  
4 U.S.C. 1078–3(c)(3)(A)), as amended by section 425  
5 of the Higher Education Opportunity Act (Public  
6 Law 110–315), is amended by striking “section  
7 493C” and inserting “section 493C.”

8 (2) EFFECTIVE DATE.—The amendment made  
9 by paragraph (1) shall be effective as if enacted as  
10 part of the amendments in section 425(d)(1) of the  
11 Higher Education Opportunity Act (Public Law  
12 110–315), and shall take effect on July 1, 2009.

13 (d) REHABILITATION OF STUDENT LOANS.—

14 (1) Section 428F (20 U.S.C. 1078–6) is  
15 amended—

16 (A) in subsection (a)—

17 (i) by amending paragraph (1) to read  
18 as follows:

19 “(1) SALE OR ASSIGNMENT OF LOAN.—

20 “(A) IN GENERAL.—Each guaranty agen-  
21 cy, upon securing 9 payments made within 20  
22 days of the due date during 10 consecutive  
23 months of amounts owed on a loan for which  
24 the Secretary has made a payment under para-  
25 graph (1) of section 428(c), shall—

1                   “(i) if practicable, sell the loan to an  
2                   eligible lender; or

3                   “(ii) on or before September 30,  
4                   2011, assign the loan to the Secretary if—

5                   “(I) the Secretary has deter-  
6                   mined that market conditions unduly  
7                   limit a guaranty agency’s ability to  
8                   sell loans under clause (i); and

9                   “(II) the guaranty agency has  
10                  been unable to sell loans under clause  
11                  (i).

12                  “(B) MONTHLY PAYMENTS.—Neither the  
13                  guaranty agency nor the Secretary shall de-  
14                  mand from a borrower as monthly payment  
15                  amounts described in subparagraph (A) more  
16                  than is reasonable and affordable based on the  
17                  borrower’s total financial circumstances.

18                  “(C) CONSUMER REPORTING AGENCIES.—  
19                  Upon the sale or assignment of the loan, the  
20                  Secretary, guaranty agency or other holder of  
21                  the loan shall request any consumer reporting  
22                  agency to which the Secretary, guaranty agency  
23                  or holder, as applicable, reported the default of  
24                  the loan, to remove the record of the default  
25                  from the borrower’s credit history.

1                   “(D) DUTIES UPON SALE.—With respect  
2                   to a loan sold under subparagraph (A)(i)—

3                   “(i) the guaranty agency—

4                   “(I) shall repay the Secretary  
5                   81.5 percent of the amount of the  
6                   principal balance outstanding at the  
7                   time of such sale, multiplied by the re-  
8                   insurance percentage in effect when  
9                   payment under the guaranty agree-  
10                  ment was made with respect to the  
11                  loan; and

12                  “(II) may, in order to defray col-  
13                  lection costs—

14                  “(aa) charge to the borrower  
15                  an amount not to exceed 18.5  
16                  percent of the outstanding prin-  
17                  cipal and interest at the time of  
18                  the loan sale; and

19                  “(bb) retain such amount  
20                  from the proceeds of the loan  
21                  sale; and

22                  “(ii) the Secretary shall reinstate the  
23                  Secretary’s obligation to—

24                  “(I) reimburse the guaranty  
25                  agency for the amount that the agen-

1                   cy may, in the future, expend to dis-  
2                   charge the guaranty agency's insur-  
3                   ance obligation; and

4                   “(II) pay to the holder of such  
5                   loan a special allowance pursuant to  
6                   section 438.

7                   “(E) DUTIES UPON ASSIGNMENT.—With  
8                   respect to a loan assigned under subparagraph  
9                   (A)(ii)—

10                   “(i) the guaranty agency shall add to  
11                   the principal and interest outstanding at  
12                   the time of the assignment of such loan an  
13                   amount equal to the amount described in  
14                   subparagraph (D)(i)(II)(aa); and

15                   “(ii) the Secretary shall pay the guar-  
16                   anty agency, for deposit in the agency's  
17                   Operating Fund established pursuant to  
18                   section 422B, an amount equal to the  
19                   amount added to the principal and interest  
20                   outstanding at the time of the assignment  
21                   in accordance with clause (i).

22                   “(E) ELIGIBLE LENDER LIMITATION.—A  
23                   loan shall not be sold to an eligible lender under  
24                   subparagraph (A)(i) if such lender has been  
25                   found by the guaranty agency or the Secretary

1 to have substantially failed to exercise the due  
2 diligence required of lenders under this part.

3 “(F) DEFAULT DUE TO ERROR.—A loan  
4 that does not meet the requirements of sub-  
5 paragraph (A) may also be eligible for sale or  
6 assignment under this paragraph upon a deter-  
7 mination that the loan was in default due to  
8 clerical or data processing error and would not,  
9 in the absence of such error, be in a delinquent  
10 status.”;

11 (ii) in paragraph (2)—

12 (I) by striking “paragraph (1) of  
13 this subsection” and inserting “para-  
14 graph (1)(A)(i)”; and

15 (II) by striking “paragraph  
16 (1)(B)(ii) of this subsection” and in-  
17 serting “paragraph (1)(D)(ii)(I)”;

18 (iii) in paragraph (3)—

19 (I) by striking “sold under para-  
20 graph (2)” and inserting “sold or as-  
21 signed under paragraph (1)(A)”; and

22 (II) by striking “sale.” and in-  
23 serting “sale or assignment.”;

24 (iv) in paragraph (4), by striking  
25 “which is sold under paragraph (1) of this

1 subsection” and inserting “that is sold or  
2 assigned under paragraph (1)”; and

3 (v) in paragraph (5), by inserting  
4 “(whether by loan sale or assignment)”  
5 after “rehabilitating a loan”; and

6 (B) in subsection (b), in the first sentence,  
7 by inserting “or assigned to the Secretary”  
8 after “sold to an eligible lender”.

9 (2) EFFECTIVE DATE.—The amendments made  
10 by paragraph (1) shall be effective on the date of en-  
11 actment of this Act, and shall apply to any loan on  
12 which monthly payments described in section  
13 428F(a)(1)(A) were paid before, on, or after such  
14 date of enactment.

15 (e) REPAYMENT IN FULL FOR DEATH AND DIS-  
16 ABILITY.—

17 (1) IN GENERAL.—Section 437(a)(1) (20  
18 U.S.C. 1087(a)(1)), as amended by section 437 of  
19 the Higher Education Opportunity Act (Public Law  
20 110–315), is amended—

21 (A) in the matter preceding subparagraph  
22 (A), by striking “Secretary),, or if” and insert-  
23 ing “Secretary), or if”; and

1 (B) in subparagraph (B), by inserting “the  
2 reinstatement and resumption to be” after “de-  
3 termines”.

4 (2) EFFECTIVE DATE.—The amendments made  
5 by paragraph (1) shall be effective as if enacted as  
6 part of the amendments in section 437(a) of the  
7 Higher Education Opportunity Act (Public Law  
8 110–315), and shall take effect on July 1, 2010.

9 (f) OTHER AMENDMENTS.—Part B of title IV (20  
10 U.S.C. 1071 et seq.) is further amended—

11 (1) in section 428 (20 U.S.C. 1078)—

12 (A) in subsection (a)(2)(A)(i)(II), by strik-  
13 ing “and” after the semicolon at the end;

14 (B) in subsection (b)—

15 (i) in the matter following subclause  
16 (II) of paragraph (1)(M)(i), by inserting  
17 “section” before “428B”;

18 (ii) in paragraph (3)(A)(i), by striking  
19 “any institution of higher education or the  
20 employees of an institution of higher edu-  
21 cation” and inserting “any institution of  
22 higher education, any employee of an insti-  
23 tution of higher education, or any indi-  
24 vidual or entity”;

1 (iii) in paragraph (4), by striking  
2 “For the purpose of paragraph  
3 (1)(M)(i)(III) of this subsection,” and in-  
4 serting “With respect to the graduate fel-  
5 lowship program referred to in paragraph  
6 (1)(M)(i)(II),”; and

7 (iv) in paragraph (7)—

8 (I) in subparagraph (B), by  
9 striking “clause (i) or (ii) of”; and

10 (II) in subparagraph (D), by  
11 striking “subparagraph (A)(i)” and  
12 inserting “subparagraph (A)”; and

13 (C) in subsection (c)(9)(K), by striking “3  
14 months” and inserting “6 months”;

15 (2) in section 428B(e) (20 U.S.C. 1078–2(e))—

16 (A) in paragraph (3)(B), by striking “sub-  
17 section (c)(5)(B)” and inserting “subsection  
18 (d)(5)(B)”; and

19 (B) by repealing paragraph (5);

20 (3) in section 428C (20 U.S.C. 1078–3)—

21 (A) in subsection (a)(4)(E), by striking  
22 “subpart II of part B” and inserting “part E”;

23 (B) in the matter preceding clause (i) of  
24 subsection (c)(2)(A)—

1 (i) by striking “subsection (b)(2)(F)”  
2 and inserting “subsection (b)(2)”; and

3 (ii) by inserting a comma after “grad-  
4 uated”;

5 (C) in subsection (d)(3)(D), by striking  
6 “loan insurance fund” and inserting “loan in-  
7 surance account”; and

8 (D) in subsection (f)(3), by striking “sub-  
9 section (a)” and inserting “this subsection”;

10 (4) in section 428G(c) (20 U.S.C. 1078–7(c))—

11 (A) in paragraph (1), by striking “section  
12 428(a)(2)(A)(i)(III)” and inserting “section  
13 428(a)(2)(A)(i)(II)”; and

14 (B) by striking paragraph (3) and insert-  
15 ing the following:

16 “(3) notwithstanding subsection (a)(2), may,  
17 with the permission of the borrower, be disbursed by  
18 the lender on a weekly or monthly basis, provided  
19 that the proceeds of the loan are disbursed by the  
20 lender in substantially equal weekly or monthly in-  
21 stallments, as the case may be, over the period of  
22 enrollment for which the loan is made.”;

23 (5) in section 428H (20 U.S.C. 1078–8)—

24 (A) in subsection (d), by amending the text  
25 of the header of paragraph (2) to read as fol-

1            lows: “LIMITS FOR GRADUATE, PROFESSIONAL,  
2            AND INDEPENDENT POSTBACCALAUREATE STU-  
3            DENTS”; and

4            (B) in subsection (e), by amending para-  
5            graph (6) to read as follows:

6            “(6) REPAYMENT PERIOD.—For purposes of  
7            calculating the repayment period under section  
8            428(b)(9), such period shall commence at the time  
9            the first payment of principal is due from the bor-  
10            rower.”;

11           (6) in section 428J (20 U.S.C. 1078–10)—

12           (A) in subsection (c)(1), by adding at the  
13           end the following: “No borrower may receive a  
14           reduction of loan obligations under both this  
15           section and section 460.”; and

16           (B) in subsection (g)(2)—

17           (i) in subparagraph (B), by inserting  
18           “or” after the semicolon at the end;

19           (ii) by striking subparagraph (C);

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

22           (iv) in subparagraph (C), as redesign-  
23           ated by clause (iii), by striking “12571”  
24           and inserting “12601”;

1 (7) in section 428K(g)(9)(B) (20 U.S.C. 1078–  
2 11(g)(9)(B)), by striking “under subsection (ll)(3) of  
3 such section (42 U.S.C. 1395x(ll)(3))” and inserting  
4 “under subsection (ll)(4) of such section (42 U.S.C.  
5 1395x(ll)(4))”;

6 (8) in section 430A(f) (20 U.S.C. 1080a(f))—

7 (A) by striking “and (6)” and inserting  
8 “and (5)”; and

9 (B) by striking “(a)(6)” and inserting  
10 “(a)(5)”;

11 (9) in section 432 (20 U.S.C. 1082)—

12 (A) in subsection (b), by striking “section  
13 1078 of this title” and inserting “section 428”;  
14 and

15 (B) in subsection (m)(1)(B)—

16 (i) in clause (i), by inserting “and”  
17 after the semicolon at the end; and

18 (ii) in clause (ii), by striking “; and”  
19 and inserting a period;

20 (10) in section 435 (20 U.S.C. 1085)—

21 (A) in subsection (a)(2)(C)(ii), by striking  
22 “a tribally controlled community college within  
23 the meaning of section 2(a)(4) of the Tribally  
24 Controlled Community College Assistance Act  
25 of 1978” and inserting “a tribally controlled

1 college or university, as defined in section  
2 2(a)(4) of the Tribally Controlled Colleges and  
3 Universities Assistance Act of 1978”;

4 (B) in subsection (d)—

5 (i) in paragraph (1)—

6 (I) in subparagraph (A)(ii)(III),  
7 by striking “section 501(1) of such  
8 Code” and inserting “section 501(a)  
9 of such Code”; and

10 (II) in subparagraph (G), by  
11 striking “sections 428A(d), 428B(d),  
12 and 428C,” and inserting “sections  
13 428B(d) and 428C,”;

14 (ii) in paragraph (2)(A)(vi), by strik-  
15 ing “section 435(m)” and inserting “sub-  
16 section (m)”;

17 (iii) in paragraph (3), by striking  
18 “section 435(m)” and inserting “sub-  
19 section (m)”;

20 (iv) in paragraph (5)(A), by striking  
21 “to any institution of higher education or  
22 any employee of an institution of higher  
23 education in order to secure applicants for  
24 loans under this part” and inserting “to  
25 any institution of higher education, any

1 employee of an institution of higher edu-  
2 cation, or any individual or entity in order  
3 to secure applicants for loans under this  
4 part”;

5 (C) in subsection (o)(1)(A)(ii), by striking  
6 “Service” and inserting “Services”; and

7 (D) in subsection (p)(1), by striking “sec-  
8 tion 771” and inserting “section 781”; and

9 (11) in section 438(b)(2) (20 U.S.C. 1087–  
10 1(b)(2))—

11 (A) in the second sentence of subpara-  
12 graph (A), by striking “427A(f)” and inserting  
13 “427A(i)”;

14 (B) in the first sentence of subparagraph  
15 (B)(i), by striking “1954” and inserting  
16 “1986”; and

17 (C) in the second sentence of subpara-  
18 graph (F), by striking “427A(f)” and inserting  
19 “427A(i)”.

20 **SEC. 403. FEDERAL WORK-STUDY PROGRAMS.**

21 Section 443 (42 U.S.C. 2753) is amended—

22 (1) in subsection (b)(2), by striking “section  
23 443” and inserting “this section”;

1           (2) in subsection (d)(1), by striking “subsection  
2           (b)(2)(B)” and inserting “subsection (b)(2)(A)”;  
3           and

4           (3) in subsection (e)(1), in the matter preceding  
5           subparagraph (A), by striking “in accordance with  
6           such subsection”.

7   **SEC. 404. FEDERAL DIRECT LOAN PROGRAM.**

8           (a)   TEMPORARY   AUTHORITY   TO   PURCHASE  
9   LOANS.—Section 459A (20 U.S.C. 1087i–1) is amend-  
10 ed—

11           (1) in subsection (a)—

12                   (A) in paragraph (2), in the matter pre-  
13                   ceding subparagraph (A), by striking “purchase  
14                   of loans under this section” and inserting “pur-  
15                   chase of loans under paragraph (1)”; and

16                   (B) by inserting after paragraph (2) the  
17                   following new paragraph:

18                   “(3) TEMPORARY AUTHORITY TO PURCHASE  
19   REHABILITATED LOANS.—

20                           “(A) AUTHORITY.—In addition to the au-  
21                           thority described in paragraph (1), the Sec-  
22                           retary, in consultation with the Secretary of the  
23                           Treasury, is authorized to purchase, or enter  
24                           into forward commitments to purchase, from  
25                           any eligible lender (as defined in section

1           435(d)(1)), loans that such lender purchased  
2           under section 428F on or after October 1,  
3           2003, and before July 1, 2010, and that are  
4           not in default, on such terms as the Secretary,  
5           the Secretary of the Treasury, and the Director  
6           of the Office of Management and Budget jointly  
7           determine are in the best interest of the United  
8           States, except that any purchase under this  
9           paragraph shall not result in any net cost to the  
10          Federal Government (including the cost of serv-  
11          icing the loans purchased), as determined joint-  
12          ly by the Secretary, the Secretary of the Treas-  
13          ury, and the Director of the Office of Manage-  
14          ment and Budget.

15                 “(B) FEDERAL REGISTER NOTICE.—The  
16          Secretary, the Secretary of the Treasury, and  
17          the Director of the Office of Management and  
18          Budget shall jointly publish a notice in the Fed-  
19          eral Register prior to any purchase of loans  
20          under this paragraph that—

21                         “(i) establishes the terms and condi-  
22                                 tions governing the purchases authorized  
23                                 by this paragraph;

24                                 “(ii) includes an outline of the meth-  
25                                 odology and factors that the Secretary, the

1 Secretary of the Treasury, and the Direc-  
2 tor of the Office of Management and  
3 Budget will jointly consider in evaluating  
4 the price at which to purchase loans reha-  
5 bilitated pursuant to section 428F(a); and

6 “(iii) describes how the use of such  
7 methodology and consideration of such fac-  
8 tors used to determine purchase price will  
9 ensure that loan purchases do not result in  
10 any net cost to the Federal Government  
11 (including the cost of servicing the loans  
12 purchased).”; and

13 (2) by amending subsection (b) to read as fol-  
14 lows:

15 “(b) PROCEEDS.—The Secretary shall require, as a  
16 condition of any purchase under subsection (a), that the  
17 funds paid by the Secretary to any eligible lender under  
18 this section be used—

19 “(1) to ensure continued participation of such  
20 lender in the Federal student loan programs author-  
21 ized under part B of this title; and

22 “(2)(A) in the case of loans purchased pursuant  
23 to subsection (a)(1), to originate new Federal loans  
24 to students, as authorized under part B of this title;  
25 or

1           “(B) in the case of loans purchased pursuant to  
2           subsection (a)(3), to originate such new Federal  
3           loans to students, or to purchase loans in accordance  
4           with section 428F(a).”.

5           (b) OTHER AMENDMENTS.—Part D of title IV (20  
6 U.S.C. 1087a et seq.) is amended—

7           (1) by repealing paragraph (3) of section 453(c)  
8           (20 U.S.C. 1087c(e));

9           (2) in section 455 (20 U.S.C. 1087e)—

10           (A) in subsection (d)(1)(C), by striking  
11           “428(b)(9)(A)(v)”           and           inserting  
12           “428(b)(9)(A)(iv)”;

13           (B) in subsection (h), by striking “(except  
14           as authorized under section 457(a)(1))”; and

15           (C) in subsection (k)(1)(B), by striking “,  
16           or in a notice under section 457(a)(1),”;

17           (3) by repealing section 457 (20 U.S.C. 1087g);

18           and

19           (4) in section 460 (20 U.S.C. 1087j)—

20           (A) in subsection (c)(1), by adding at the  
21           end the following: “No borrower may receive a  
22           reduction of loan obligations under both this  
23           section and section 428J.”; and

24           (B) in subsection (g)(2)—

25           (i) by striking subparagraph (A);

- 1 (ii) by redesignating subparagraphs  
2 (B) through (D) as subparagraphs (A)  
3 through (C), respectively; and  
4 (iii) in subparagraph (C), as redesignated  
5 by clause (ii), by striking “12571”  
6 and inserting “12601”.

7 **SEC. 405. FEDERAL PERKINS LOANS.**

8 Part E of title IV (20 U.S.C. 1087aa et seq.) is  
9 amended—

10 (1) in section 462(a)(1) (20 U.S.C.  
11 1087bb(a)(1)), by striking subparagraph (A) and in-  
12 serting the following:

13 “(A) 100 percent of the amount received under  
14 subsections (a) and (b) of this section for fiscal year  
15 1999 (as such subsections were in effect with respect  
16 to allocations for such fiscal year), multiplied by”;

17 (2) in section 463(c) (20 U.S.C. 1087cc(c))—

18 (A) in paragraph (2)—

19 (i) by moving the margins of subpara-  
20 graph (A) 2 ems to the left; and

21 (ii) by striking subparagraph (B) and  
22 inserting the following:

23 “(B) information concerning the repayment and  
24 collection of any such loan, including information  
25 concerning the status of such loan; and”;

1 (B) in paragraph (3)—

2 (i) by striking “and (6)” and inserting

3 “and (5)”; and

4 (ii) by striking “(a)(6)” and inserting

5 “(a)(5)”;

6 (3) in the first sentence of the matter preceding

7 paragraph (1) of section 463A(a) (20 U.S.C.

8 1087cc–1(a)), by striking “, in order to carry out

9 the provisions of section 463(a)(8),”;

10 (4) in section 464 (20 U.S.C. 1087dd)—

11 (A) in subsection (c)—

12 (i) in paragraph (1)(D)—

13 (I) by striking “(I)” and insert-

14 ing “(i)”; and

15 (II) by striking “(II)” and insert-

16 ing “(ii)”; and

17 (ii) in paragraph (2)(A)(iii)—

18 (I) by aligning the margin of the

19 matter preceding subclause (I) with

20 the margins of clause (ii);

21 (II) by aligning the margins of

22 subclauses (I) and (II) with the mar-

23 gins of clause (i)(I); and

24 (III) by aligning the margins of

25 the matter following subclause (II)

1 with the margins of the matter fol-  
2 lowing subclause (II) of clause (i); and  
3 (B) in subsection (g)(5), by striking “cred-  
4 it bureaus” and inserting “consumer reporting  
5 agencies”;

6 (5) in section 465(a)(6) (20 U.S.C.  
7 1087ee(a)(6)), by striking “12571” and inserting  
8 “12601”;

9 (6) in section 467(b) (20 U.S.C. 1087gg(b)), by  
10 striking “paragraph (5)(A), (5)(B)(i), or (6)” and  
11 inserting “paragraph (4) or (5)”; and

12 (7) in section 469(c) (20 U.S.C. 1087ii(c)), by  
13 striking “and the term” and all that follows through  
14 the period at the end and inserting “and the term  
15 ‘early intervention services’ has the meaning given  
16 the term in section 632 of such Act.”.

17 **SEC. 406. NEED ANALYSIS.**

18 (a) AMENDMENTS.—Part F of title IV (20 U.S.C.  
19 1087kk et seq.) is amended—

20 (1) in section 473 (20 U.S.C. 1087mm)—

21 (A) by striking “For the purpose of this  
22 title, except subpart 2 of part A,” and inserting  
23 “(a) IN GENERAL.—For the purpose of this  
24 title, other than subpart 2 of part A, and except  
25 as provided in subsection (b),”; and

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

2 “(b) SPECIAL RULE.—

3 “(1) IN GENERAL.—Notwithstanding any other  
4 provision of this title, the family contribution of each  
5 student described in paragraph (2) shall be deemed  
6 to be zero for the academic year for which the deter-  
7 mination is made.

8 “(2) APPLICABILITY.—Paragraph (1) shall  
9 apply to any dependent or independent student with  
10 respect to determinations of need for academic year  
11 2009–2010 and succeeding academic years—

12 “(A) who is eligible to receive a Federal  
13 Pell Grant for the academic year for which the  
14 determination is made;

15 “(B) whose parent or guardian was a  
16 member of the Armed Forces of the United  
17 States and died as a result of performing mili-  
18 tary service in Iraq or Afghanistan after Sep-  
19 tember 11, 2001; and

20 “(C) who, at the time of the parent or  
21 guardian’s death, was—

22 “(i) less than 24 years of age; or

23 “(ii) enrolled at an institution of high-  
24 er education on a part-time or full-time  
25 basis.

1           “(3) INFORMATION.—Notwithstanding any  
2 other provision of law, the Secretary of Veterans Af-  
3 fairs and the Secretary of Defense, as appropriate,  
4 shall provide the Secretary of Education with infor-  
5 mation necessary to determine which students meet  
6 the requirements of paragraph (2).”;

7           (2) in section 475(c)(5)(B) (20 U.S.C.  
8 1087oo(c)(5)(B)), by inserting “of 1986” after  
9 “Code”;

10          (3) in section 477(b)(5)(B) (20 U.S.C.  
11 1087qq(b)(5)(B)), by inserting “of 1986” after  
12 “Code”;

13          (4) in section 479 (20 U.S.C. 1087ss)—

14           (A) in subsection (b) (as amended by sec-  
15 tion 602 of the College Cost Reduction and Ac-  
16 cess Act (Public Law 110–84))—

17           (i) in paragraph (1)(A)(i), by amend-  
18 ing subclause (III) to read as follows:

19                   “(III) include at least one parent  
20 who is a dislocated worker; or”;

21           (ii) in paragraph (1)(B)(i), by amend-  
22 ing subclause (III) to read as follows:

23                   “(III) is a dislocated worker or  
24 has a spouse who is a dislocated work-  
25 er; or”;

1 (B) in subsection (c) (as amended by such  
2 section 602)—

3 (i) in paragraph (1)(A), by amending  
4 clause (iii) to read as follows:

5 “(iii) include at least one parent who  
6 is a dislocated worker; or”; and

7 (ii) in paragraph (2)(A), by amending  
8 clause (iii) to read as follows:

9 “(iii) is a dislocated worker or has a  
10 spouse who is a dislocated worker; or”;

11 (5) in section 479C (20 U.S.C. 1087uu–1)—

12 (A) in paragraph (1), by striking “under”  
13 and all that follows through “; and” and insert-  
14 ing “under Public Law 98–64 (25 U.S.C. 117a  
15 et seq.; 97 Stat. 365) (commonly known as the  
16 ‘Per Capita Act’) or the Indian Tribal Judg-  
17 ment Funds Use or Distribution Act (25 U.S.C.  
18 1401 et seq.); and”;

19 (B) in paragraph (2)—

20 (i) by striking “Alaskan” and insert-  
21 ing “Alaska”;

22 (ii) by inserting “(43 U.S.C. 1601 et  
23 seq.)” before “or the”; and

1 (iii) by inserting “of 1980 (25 U.S.C.  
2 1721 et seq.)” after “Maine Indian Claims  
3 Settlement Act”;

4 (6) in section 480(a)(2) (20 U.S.C.  
5 1087vv(a)(2)), by striking “12571” and inserting  
6 “12511”;

7 (7) in section 480(c)(2) (20 U.S.C.  
8 1087vv(e)(2))—

9 (A) in the matter preceding subparagraph  
10 (A), by striking “the following” and inserting  
11 “benefits under the following provisions of law”;  
12 and

13 (B) by striking subparagraphs (A) through  
14 (J) and inserting the following:

15 “(A) Chapter 103 of title 10, United States  
16 Code (Senior Reserve Officers’ Training Corps).

17 “(B) Chapter 106A of title 10, United States  
18 Code (Educational Assistance for Persons Enlisting  
19 for Active Duty).

20 “(C) Chapter 1606 of title 10, United States  
21 Code (Selected Reserve Educational Assistance Pro-  
22 gram).

23 “(D) Chapter 1607 of title 10, United States  
24 Code (Educational Assistance Program for Reserve

1       Component Members Supporting Contingency Oper-  
2       ations and Certain Other Operations).

3               “(E) Chapter 30 of title 38, United States Code  
4       (All-Volunteer Force Educational Assistance Pro-  
5       gram, also known as the ‘Montgomery GI Bill—ac-  
6       tive duty’).

7               “(F) Chapter 31 of title 38, United States Code  
8       (Training and Rehabilitation for Veterans with Serv-  
9       ice-Connected Disabilities).

10              “(G) Chapter 32 of title 38, United States Code  
11       (Post-Vietnam Era Veterans’ Educational Assistance  
12       Program).

13              “(H) Chapter 33 of title 38, United States  
14       Code (Post-9/11 Educational Assistance).

15              “(I) Chapter 35 of title 38, United States Code  
16       (Survivors’ and Dependents’ Educational Assistance  
17       Program).

18              “(J) Section 903 of the Department of Defense  
19       Authorization Act, 1981 (10 U.S.C. 2141 note)  
20       (Educational Assistance Pilot Program).

21              “(K) Section 156(b) of the ‘Joint Resolution  
22       making further continuing appropriations and pro-  
23       viding for productive employment for the fiscal year  
24       1983, and for other purposes’ (42 U.S.C. 402 note)

1 (Restored Entitlement Program for Survivors, also  
2 known as ‘Quayle benefits’).

3 “(L) The provisions of chapter 3 of title 37,  
4 United States Code, related to subsistence allow-  
5 ances for members of the Reserve Officers Training  
6 Corps.”; and

7 (8) in section 480(j)(1) (20 U.S.C.  
8 1087vv(j)(1)), by striking “12571” and inserting  
9 “12511”.

10 (b) EFFECTIVE DATE.—The amendments made by—

11 (1) paragraph (1) of subsection (a) shall take  
12 effect on July 1, 2009; and

13 (2) paragraph (4) of such subsection shall be  
14 effective as if enacted as part of the amendments in  
15 section 602(a) of the College Cost Reduction and  
16 Access Act (Public Law 110–84), and shall take ef-  
17 fect on July 1, 2009.

18 (c) HIGHER EDUCATION OPPORTUNITY ACT.—Sec-  
19 tion 473(f) of the Higher Education Opportunity Act  
20 (Public Law 110–315) is amended by inserting “, except  
21 that the amendments made in subsection (e) shall take  
22 effect on July 1, 2009” before the period at the end.

23 **SEC. 407. GENERAL PROVISIONS OF TITLE IV.**

24 (a) DELAYED IMPLEMENTATION OF EZ FAFSA.—  
25 Notwithstanding any other provision of law, the Secretary

1 of Education shall be required to carry out the require-  
2 ments under the following provisions of section 483 of the  
3 Higher Education Act of 1965 (20 U.S.C. 1090) only for  
4 academic year 2010–2011 and subsequent academic years:

5 (1) In subsection (a) of such section—

6 (A) subparagraphs (A)(i) and (B) of para-  
7 graph (2);

8 (B) in paragraph (3)—

9 (i) the second sentence of subpara-  
10 graph (A);

11 (ii) clauses (i) and (ii) of subpara-  
12 graph (B); and

13 (iii) subparagraph (C);

14 (C) paragraph (4)(A)(iv); and

15 (D) paragraph (5)(E).

16 (2) Subsection (h) of such section.

17 (b) OTHER AMENDMENTS.—Part G of title IV (20  
18 U.S.C. 1088 et seq.) is amended—

19 (1) in the matter preceding paragraph (1) of  
20 section 481(c) (20 U.S.C. 1088(c)), by striking “or  
21 any State, or private, profit or nonprofit organiza-  
22 tion” and inserting “any State, or any private, for-  
23 profit or nonprofit organization,”;

1           (2) in section 482(b) (20 U.S.C. 1089(b)), by  
2 striking “413D(e), 442(e), or 462(j)” and inserting  
3 “413D(d), 442(d), or 462(i)”;

4           (3) in section 483 (20 U.S.C. 1090)—

5                 (A) in subsection (a)(3)(C), by inserting  
6 “that” after “except”; and

7                 (B) in subsection (e)(8)(A), by striking  
8 “identify” and inserting “determine”;

9           (4) in section 484 (20 U.S.C. 1091)—

10                (A) in the matter preceding subparagraph  
11 (A) of subsection (a)(4), by striking “certifi-  
12 cation,,” and inserting “certification,”;

13                (B) in subsection (b)(1)(B)—

14                   (i) by striking “have (A)” and insert-  
15 ing “have (i)”; and

16                   (ii) by striking “and (B)” and insert-  
17 ing “and (ii)”;

18                (C) in subsection (f)(1), by striking “part  
19 B” and all that follows through “part E” in  
20 each place that the phrase occurs and inserting  
21 “part B, part D, or part E”;

22                (D) in subsection (h)—

23                   (i) in paragraph (2), by striking  
24 “(h)(4)(A)(i)”                and                inserting

25 “(g)(4)(A)(i)”;

1                   (ii) in paragraph (3), by striking  
2                   “(h)(4)(B)(i)”           and           inserting  
3                   “(g)(4)(B)(i)”; and  
4                   (E) in subsection (n), by striking “section  
5                   1113 of Public Law 97–252” and inserting  
6                   “section 12(f) of the Military Selective Service  
7                   Act (50 U.S.C. App. 462(f))”;  
8                   (5) in section 485 (20 U.S.C. 1092)—  
9                   (A) in subsection (a)—  
10                   (i) in paragraph (1)—  
11                   (I) the matter preceding subpara-  
12                   graph (A), by striking “also referred  
13                   to as the Family Educational Rights  
14                   and Privacy Act of 1974” and insert-  
15                   ing “commonly known as the ‘Family  
16                   Educational Rights and Privacy Act  
17                   of 1974’ ”; and  
18                   (II) in subparagraph (I), by  
19                   striking “handicapped students” and  
20                   inserting “students with disabilities”;  
21                   (ii) in paragraph (4)(B), by inserting  
22                   “during which” after “time period”; and  
23                   (iii) in the matter preceding subclause  
24                   (I) of paragraph (7)(B)(iv), by inserting  
25                   “education” after “higher”;

1 (B) in subsection (e)(3)(B), by inserting  
2 “during which” after “time period”;

3 (C) in subsection (f)—

4 (i) in the matter preceding subpara-  
5 graph (A) of paragraph (1), by inserting  
6 “of” after “foreign institution”; and

7 (ii) in paragraphs (3), (4)(A), (5),  
8 and (8)(A), by striking “under this title”  
9 each place it appears and inserting “under  
10 this title, other than a foreign institution  
11 of higher education,”;

12 (D) in subsection (g)(2), by striking “sub-  
13 paragraph (G)” and inserting “paragraph  
14 (1)(G)”;

15 (E) in subsection (i)—

16 (i) in paragraph (2), by striking “eli-  
17 gible institution participating in any pro-  
18 gram under this title” and inserting “insti-  
19 tution described in paragraph (1)”;

20 (ii) in paragraph (3), in the matter  
21 preceding subparagraph (A), by striking  
22 “eligible institution participating in any  
23 program under this title” and inserting  
24 “institution described in paragraph (1)”;  
25 and

1 (iii) in paragraph (5)(B), by striking  
2 “the Family Educational Rights and Pri-  
3 vacy Act of 1974” and inserting “com-  
4 monly known as the ‘Family Educational  
5 Rights and Privacy Act of 1974’ ”;

6 (F) in subsection (k)(2), by inserting “sec-  
7 tion” before “484(r)(1)”; and

8 (G) in the matter preceding clause (i) of  
9 subsection (l)(1)(A), by striking “subparagraph  
10 (B)” and inserting “paragraph (2)”;  
11

(6) in section 485A (20 U.S.C. 1092a)—

12 (A) in subsection (a)—

13 (i) by striking “or defined in subpart  
14 I of part C of title VII of the Public  
15 Health Service Act” and inserting “or an  
16 eligible lender as defined in section 719 of  
17 the Public Health Service Act (42 U.S.C.  
18 292o)”; and

19 (ii) by striking “under subpart I of  
20 part C of title VII of the Public Health  
21 Service Act (known as Health Education  
22 Assistance Loans)” and inserting “under  
23 part A of title VII of the Public Health  
24 Service Act (42 U.S.C. 292 et seq.)”;

1 (B) in subsection (b), by striking “subpart  
2 I of part C of title VII of the Public Health  
3 Service Act” and inserting “part A of title VII  
4 of the Public Health Service Act (42 U.S.C.  
5 292 et seq.)”;

6 (C) in subsection (e)—

7 (i) by striking “Health Education As-  
8 sistance Loan” and inserting “loan under  
9 part A of title VII of the Public Health  
10 Service Act (42 U.S.C. 292 et seq.)”; and

11 (ii) in paragraph (2), by striking  
12 “733(e)(3)” and inserting “707(e)(3)”;  
13 and

14 (D) in subsection (f)—

15 (i) in paragraph (1)—

16 (I) in the second sentence, by  
17 striking “subpart I of part C of title  
18 VII of the Public Health Service Act”  
19 and inserting “part A of title VII of  
20 the Public Health Service Act (42  
21 U.S.C. 292 et seq.)”; and

22 (II) in the fourth sentence, by  
23 striking “728(a)” and inserting  
24 “710”; and

1 (ii) in paragraph (2), by striking  
2 “subpart I of part C of title VII of the  
3 Public Health Service Act” and inserting  
4 “part A of title VII of the Public Health  
5 Service Act (42 U.S.C. 292 et seq.)”;

6 (7) in section 485B (20 U.S.C. 1092b)—

7 (A) in subsection (a)(5), by striking “)”  
8 and inserting “)”; and

9 (B) in subsection (d)(3)(D), by striking  
10 “the Family Educational Rights and Privacy  
11 Act of 1974” and inserting “commonly known  
12 as the ‘Family Educational Rights and Privacy  
13 Act of 1974’ ”;

14 (8) in section 487 (20 U.S.C. 1094)—

15 (A) in subsection (a)(23)(A), by inserting  
16 “of 1993” after “Registration Act”;

17 (B) in subsection (c)(1)—

18 (i) in subparagraph (A)(i), by striking  
19 “students receives” and inserting “stu-  
20 dents receive”;

21 (ii) in subparagraph (F), by striking  
22 “paragraph (2)(B)” and inserting “para-  
23 graph (3)(B)”; and

1 (iii) in subparagraph (H), by striking  
2 “paragraph (2)(B)” and inserting “para-  
3 graph (3)(B)”;

4 (C) in subsection (f)(1), by striking  
5 “496(c)(4)” and inserting “496(c)(3)”; and

6 (D) in subsection (g)(1), by striking “sub-  
7 section (f)(2)” and inserting “subsection  
8 (e)(2)”;

9 (9) in section 487A(b) (20 U.S.C. 1094a(b))—  
10 (A) in paragraph (1)—

11 (i) by striking “Any activities” and in-  
12 serting “Any experimental sites”; and

13 (ii) by striking “June 30, 2009” and  
14 inserting “June 30, 2010”; and

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

16 “(4) DETERMINATION OF SUCCESS.—For the  
17 purposes of paragraph (1), the Secretary shall make  
18 a determination of success regarding an institution’s  
19 participation as an experimental site based on—

20 “(A) the ability of the experimental site to  
21 reduce administrative burdens to the institu-  
22 tion, as documented in the Secretary’s biennial  
23 report under paragraph (2), without creating  
24 costs for the taxpayer; and

1           “(B) whether the experimental site has im-  
2           proved the delivery of services to, or otherwise  
3           benefitted, students.”;

4           (10) in section 489(a) (20 U.S.C. 1096(a))—

5           (A) in the third sentence, by striking “has  
6           agreed to assign under section 463(a)(6)(B)”  
7           and inserting “has referred under section  
8           463(a)(4)(B)”; and

9           (B) in the fourth sentence, by striking  
10          “484(h)” and inserting “484(g)”;

11          (11) in section 491(l)(2)(A) (20 U.S.C.  
12          1098(l)(2)(A)), by inserting “the” after “enactment  
13          of”; and

14          (12) in section 492(a) (20 U.S.C. 1098a(a))—

15          (A) in paragraph (1), by striking “regula-  
16          tions” and all that follows through “The” and  
17          inserting “regulations for this title. The”; and

18          (B) in paragraph (2), by striking  
19          “ISSUES” and all that follows through “pro-  
20          vide” and inserting “ISSUES.—The Secretary  
21          shall provide”.

22   **SEC. 408. PROGRAM INTEGRITY.**

23          Part H of title IV (20 U.S.C. 1099a et seq.) is  
24          amended—

1 (1) in section 496(a)(6)(G) (20 U.S.C.  
2 1099b(a)(6)(G)), by striking the period at the end  
3 and inserting a semicolon; and

4 (2) in section 498(c)(2) (20 U.S.C.  
5 1099c(e)(2)), by striking “for profit” and inserting  
6 “for-profit”.

7 **SEC. 409. WAIVER OF MASTER CALENDAR AND NEGO-**  
8 **TIATED RULEMAKING REQUIREMENTS.**

9 Sections 482 and 492 of the Higher Education Act  
10 of 1965 (20 U.S.C. 1089, 1098a) shall not apply to the  
11 amendments made by this title, or to any regulations pro-  
12 mulgated under those amendments.

13 **TITLE V—DEVELOPING**  
14 **INSTITUTIONS**

15 **SEC. 501. DEVELOPING INSTITUTIONS.**

16 Section 502(b)(2) (20 U.S.C. 1101a(b)(2)) is amend-  
17 ed by striking “which determination” and inserting  
18 “which the determination”.

19 **TITLE VI—INTERNATIONAL**  
20 **EDUCATION PROGRAMS**

21 **SEC. 601. INTERNATIONAL EDUCATION PROGRAMS.**

22 (a) HIGHER EDUCATION ACT OF 1965.—Title VI (20  
23 U.S.C. 1121 et seq.) is amended—

24 (1) in section 604(a) (20 U.S.C. 1124(a))—

1 (A) in the matter preceding subparagraph  
2 (A) of paragraph (2), by inserting “the” before  
3 “Federal”; and

4 (B) in paragraph (7)(D), by striking “in-  
5 stitution, combination” and inserting “appli-  
6 cant, consortium,”; and

7 (2) in section 622(a) (20 U.S.C. 1131–1(a)), by  
8 inserting a period after “title”.

9 (b) HIGHER EDUCATION OPPORTUNITY ACT.—The  
10 matter preceding paragraph (1) of section 621 of the  
11 Higher Education Opportunity Act (Public Law 110–315)  
12 is amended by striking “Section 631 (20 U.S.C. 1132)”  
13 and inserting “Section 631(a) (20 U.S.C. 1132(a))”.

14 **TITLE VII—GRADUATE AND**  
15 **POSTSECONDARY IMPROVE-**  
16 **MENT**

17 **SEC. 701. GRADUATE AND POSTSECONDARY IMPROVEMENT**  
18 **PROGRAMS.**

19 Title VII (20 U.S.C. 1133 et seq.) is amended—

20 (1) in the matter preceding paragraph (1) of  
21 section 721(d) (20 U.S.C. 1136(d)), by striking  
22 “services through” and all that follows through “re-  
23 source centers” and inserting “services through pre-  
24 college programs, undergraduate prelaw information  
25 resource centers”;

1           (2) in section 723(b)(1)(P) (20 U.S.C.  
2           1136a(b)(1)(P)), by striking “Sate” and inserting  
3           “State”;

4           (3) in section 744(c)(6)(C) (20 U.S.C.  
5           1138c(e)(6)(C)), by inserting “of the National Acad-  
6           emies” after “Institute of Medicine”;

7           (4) in section 760 (20 U.S.C. 1140), by striking  
8           paragraph (1) and inserting the following:

9           “(1) COMPREHENSIVE TRANSITION AND POST-  
10          SECONDARY PROGRAM FOR STUDENTS WITH INTEL-  
11          LECTUAL DISABILITIES.—The term ‘comprehensive  
12          transition and postsecondary program for students  
13          with intellectual disabilities’ means a degree, certifi-  
14          cate, or nondegree program that meets each of the  
15          following:

16                 “(A) Is offered by an institution of higher  
17                 education.

18                 “(B) Is designed to support students with  
19                 intellectual disabilities who are seeking to con-  
20                 tinue academic, career and technical, and inde-  
21                 pendent living instruction at an institution of  
22                 higher education in order to prepare for gainful  
23                 employment.

24                 “(C) Includes an advising and curriculum  
25                 structure.

1           “(D) Requires students with intellectual  
2 disabilities to participate on not less than a  
3 half-time basis as determined by the institution,  
4 with such participation focusing on academic  
5 components, and occurring through 1 or more  
6 of the following activities:

7                   “(i) Regular enrollment in credit-bear-  
8 ing courses with nondisabled students of-  
9 fered by the institution.

10                   “(ii) Auditing or participating in  
11 courses with nondisabled students offered  
12 by the institution for which the student  
13 does not receive regular academic credit.

14                   “(iii) Enrollment in noncredit-bearing,  
15 nondegree courses with nondisabled stu-  
16 dents.

17                   “(iv) Participation in internships or  
18 work-based training in settings with non-  
19 disabled individuals.

20           “(E) Requires students with intellectual  
21 disabilities to be socially and academically inte-  
22 grated with non-disabled students to the max-  
23 imum extent possible.”;

24           (5) in section 772 (20 U.S.C. 1140l)—

1 (A) in subsection (a)(2)(A), by striking  
2 “with in” and inserting “with”; and

3 (B) in the matter preceding subclause (I)  
4 of subsection (b)(1)(C)(ii), by striking “sub-  
5 paragraph (C)” and inserting “clause (i)”;

6 (6) in section 781 (20 U.S.C. 1141)—

7 (A) in subsection (e)(1), by striking “Serv-  
8 ice” each place the term appears and inserting  
9 “Services”;

10 (B) in the matter preceding paragraph (1)  
11 of subsection (e)—

12 (i) by striking “(as defined” and all  
13 that follows through “this Act)” and in-  
14 serting “(as described in section 435(p))”;  
15 and

16 (ii) by striking “435(j)” and inserting  
17 “428(b)”;

18 (C) in subsection (g)(2), by striking “Serv-  
19 ice” and inserting “Services”; and

20 (D) in subsection (i)—

21 (i) in paragraph (1)(D), by striking  
22 “consortia” and inserting “consortium”;  
23 and

24 (ii) in paragraph (2)—

1 (I) in the paragraph heading, by  
2 striking “CONSORTIA” and inserting  
3 “CONSORTIUM”; and

4 (II) by striking “consortia” each  
5 place the term appears and inserting  
6 “consortium”.

## 7 **TITLE VIII—ADDITIONAL** 8 **PROGRAMS**

### 9 **SEC. 801. ADDITIONAL PROGRAMS.**

10 Title VIII (20 U.S.C. 1161a et seq.) is amended—

11 (1) in section 802(d)(2)(D) (20 U.S.C.  
12 1161b(d)(2)(D)), by striking “regulation” and in-  
13 serting “regulations”;

14 (2) in section 804(d) (20 U.S.C. 1161d(d))—

15 (A) in the heading, by striking “DEFINI-  
16 TION” and inserting “DEFINITIONS”; and

17 (B) by striking paragraph (2) and insert-  
18 ing the following:

19 “(2) PUBLIC HEALTH SERVICE ACT.—The  
20 terms ‘accredited’ and ‘school of nursing’ have the  
21 meanings given those terms in section 801 of the  
22 Public Health Service Act (42 U.S.C. 296).”;

23 (3) in section 808(a)(1) (20 U.S.C.  
24 1161h(a)(1)), by striking “the Family Education  
25 Rights and Privacy Act of 1974” and inserting “sec-

1           tion 444 of the General Education Provisions Act  
2           (commonly known as the ‘Family Educational  
3           Rights and Privacy Act of 1974’);

4           (4) in section 819(b)(3) (20 U.S.C.  
5           1161j(b)(3)), by inserting a period after “101(a)”;

6           (5) in section 820 (20 U.S.C. 1161k)—

7                 (A) in subsection (d)(5), by inserting “the”  
8                 before “grant”;

9                 (B) in subsection (f)(2), by striking “sub-  
10                 part” each place the term appears and inserting  
11                 “section”; and

12                 (C) in subsection (h), by striking “use”  
13                 and inserting “used”;

14           (6) in section 821 (20 U.S.C. 1161l)—

15                 (A) in subsection (a)(1), by striking “sub-  
16                 section (g)” and inserting “subsection (f)”; and

17                 (B) in subsection (c)(1)(B), by striking  
18                 “within” and inserting “in”;

19           (7) in section 824(f)(3) (20 U.S.C. 1161l-  
20           3(f)(3))—

21                 (A) in subparagraph (A), by inserting “a”  
22                 after “submitting”; and

23                 (B) in subparagraph (C), by striking  
24                 “pursing” and inserting “pursuing”;

1           (8) in section 825(a) (20 U.S.C. 11611-4(a)), by  
2 striking “the Family Educational Rights and Pri-  
3 vacy Act of 1974” and inserting “commonly known  
4 as the ‘Family Educational Rights and Privacy Act  
5 of 1974’”;

6           (9) in section 826(3) (20 U.S.C. 11611-5(3)),  
7 by striking “the Family Educational Rights and Pri-  
8 vacy Act of 1974” and inserting “commonly known  
9 as the ‘Family Educational Rights and Privacy Act  
10 of 1974’”;

11           (10) in section 830(a)(1)(B) (20 U.S.C.  
12 1161m(a)(1)(B)), by striking “of for” and inserting  
13 “of”;

14           (11) in section 833(e)(1) (20 U.S.C. 1161n-  
15 2(e)(1))—

16           (A) in the matter preceding subparagraph  
17 (A), by striking “because of” and inserting  
18 “based on”; and

19           (B) in subparagraph (D), by striking “pur-  
20 poses of this section” and inserting “purpose of  
21 this part”;

22           (12) in section 841(c)(1) (20 U.S.C.  
23 1161o(c)(1)), by striking “486A(d)” and inserting  
24 “486A(b)(1)”;

1           (13) in section 851(j) (20 U.S.C. 1161p(j)), by  
2           inserting “to be appropriated” after “authorized”;  
3           and

4           (14) in section 894(b)(2) (20 U.S.C.  
5           1161y(b)(2)), by striking “the Family Educational  
6           Rights and Privacy Act of 1974” and inserting  
7           “commonly known as the ‘Family Educational  
8           Rights and Privacy Act of 1974’”.

9   **SEC. 802. AMENDMENTS TO OTHER HIGHER EDUCATION**  
10           **ACTS.**

11           (a) HIGHER EDUCATION AMENDMENTS OF 1998.—

12           (1) INCARCERATED INDIVIDUALS.—Section  
13           821(h) of the Higher Education Amendments of  
14           1998 (20 U.S.C. 1151(h)) is amended to read as fol-  
15           lows:

16           “(h) ALLOCATION OF FUNDS.—

17           “(1) FISCAL YEAR 2009.—From the funds ap-  
18           propriated pursuant to subsection (i) for fiscal year  
19           2009, the Secretary shall allot to each State an  
20           amount that bears the same relationship to such  
21           funds as the total number of incarcerated individuals  
22           described in paragraphs (1) and (2) of subsection (e)  
23           in the State bears to the total number of such indi-  
24           viduals in all States.

1           “(2) FUTURE FISCAL YEARS.—From the funds  
2           appropriated pursuant to subsection (i) for each fis-  
3           cal year after fiscal year 2009, the Secretary shall  
4           allot to each State an amount that bears the same  
5           relationship to such funds as the total number of  
6           students eligible under subsection (e) in such State  
7           bears to the total number of such students in all  
8           States.”.

9           (2) UNDERGROUND RAILROAD.—Section 841(c)  
10          of the Higher Education Amendments of 1998 (20  
11          U.S.C. 1153(c)) is amended by inserting “this sec-  
12          tion” after “to carry out”.

13          (b) EDUCATION OF THE DEAF ACT OF 1986.—Sec-  
14          tion 203(b)(2) of the Education of the Deaf Act of 1986  
15          (20 U.S.C. 4353(b)(2)) is amended by striking “and sub-  
16          sections (b) and (c) of section 209.” and inserting “and  
17          subsections (a), (b), and (c) of section 209.”.