

PUBLIC LAW 113-28—AUG. 9, 2013

BIPARTISAN STUDENT LOAN CERTAINTY ACT
OF 2013

Public Law 113–28
113th Congress

An Act

Aug. 9, 2013
[H.R. 1911]

To amend the Higher Education Act of 1965 to establish interest rates for new loans made on or after July 1, 2013, to direct the Secretary of Education to convene the Advisory Committee on Improving Postsecondary Education Data to conduct a study on improvements to postsecondary education transparency at the Federal level, and for other purposes.

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

Bipartisan
Student Loan
Certainty Act
of 2013.
20 USC 1001
note.

1. SHORT TITLE.

This Act may be cited as the “Bipartisan Student Loan Certainty Act of 2013”.

SEC. 2. INTEREST RATES.

(a) INTEREST RATES.—Section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)) is amended—

(1) in paragraph (7)—

(A) in the paragraph heading, by inserting “AND BEFORE JULY 1, 2013” after “ON OR AFTER JULY 1, 2006”;

(B) in subparagraph (A), by inserting “and before July 1, 2013,” after “on or after July 1, 2006,”;

(C) in subparagraph (B), by inserting “and before July 1, 2013,” after “on or after July 1, 2006,”; and

(D) in subparagraph (C), by inserting “and before July 1, 2013,” after “on or after July 1, 2006,”;

(2) by redesignating paragraphs (8) and (9) as paragraphs (9) and (10), respectively; and

(3) by inserting after paragraph (7) the following:

“(8) INTEREST RATE PROVISIONS FOR NEW LOANS ON OR AFTER JULY 1, 2013.—

“(A) RATES FOR UNDERGRADUATE FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students, for which the first disbursement is made on or after July 1, 2013, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

“(i) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 2.05 percent; or

“(ii) 8.25 percent.

Time period.

“(B) RATES FOR GRADUATE AND PROFESSIONAL FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students, for which the first disbursement is made on or after July 1, 2013, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

“(i) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 3.6 percent; or

“(ii) 9.5 percent.

“(C) PLUS LOANS.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct PLUS Loans, for which the first disbursement is made on or after July 1, 2013, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

“(i) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 4.6 percent; or

“(ii) 10.5 percent.

“(D) CONSOLIDATION LOANS.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation Loan for which the application is received on or after July 1, 2013, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent.

“(E) CONSULTATION.—The Secretary shall determine the applicable rate of interest under this paragraph after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.

“(F) RATE.—The applicable rate of interest determined under this paragraph for a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct PLUS Loan shall be fixed for the period of the loan.”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if enacted on July 1, 2013.

Determination.
Federal Register,
publication.

20 USC 1087e
note.

SEC. 3. BUDGETARY EFFECTS.

(a) PAYGO SCORECARD.—The budgetary effects of this Act shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

(b) SENATE PAYGO SCORECARD.—The budgetary effects of this Act shall not be entered on any PAYGO scorecard maintained for purposes of section 201 of S. Con. Res. 21 (110th Congress).

SEC. 4. STUDY ON THE ACTUAL COST OF ADMINISTERING THE FEDERAL STUDENT LOAN PROGRAMS.

Not later than 120 days after the date of enactment of this Act, the Comptroller General of the United States shall—

Deadline.

(1) complete a study that determines the actual cost to the Federal Government of carrying out the Federal student loan programs authorized under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), which shall—

(A) provide estimates relying on accurate information based on past, current, and projected data as to the appropriate index and mark-up rate for the Federal Government's cost of borrowing that would allow the Federal Government to effectively administer and cover the cost of the Federal student programs authorized under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) under the scoring rules outlined in the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.);

(B) provide the information described in this section in a way that separates out administrative costs, interest rate, and other loan terms and conditions; and

(C) set forth clear recommendations to the relevant authorizing committees of Congress as to how future legislation can incorporate the results of the study described in this section to allow for the administration of the Federal student loan programs authorized under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) without generating any additional revenue to the Federal Government except revenue that is needed to carry out such programs; and

Reports.

(2) prepare and submit a report to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives setting forth the conclusions of the study described in this section in such a manner that the recommendations included in the report can inform future reauthorizations of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

Approved August 9, 2013.

LEGISLATIVE HISTORY—H.R. 1911:

HOUSE REPORTS: No. 113–82, Pt. 1 (Comm. on Education and the Workforce).
CONGRESSIONAL RECORD, Vol. 159 (2013):

May 23, considered and passed House.

July 24, considered and passed Senate, amended.

July 31, House concurred in Senate amendment.

