

113TH CONGRESS  
1ST SESSION

# H. R. 3047

To authorize borrowers of loans under the William D. Ford Federal Direct Loan Program to modify the interest rate of such loans to be equal to the interest rate for such loans at the time of modification.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2013

Mr. POCAN introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To authorize borrowers of loans under the William D. Ford Federal Direct Loan Program to modify the interest rate of such loans to be equal to the interest rate for such loans at the time of modification.

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. BORROWER MODIFICATION OF INTEREST**  
4 **RATES UNDER THE WILLIAM D. FORD FED-**  
5 **ERAL DIRECT LOAN PROGRAM.**

6 Section 455(b) of the Higher Education Act of 1965  
7 (20 U.S.C. 1087e(b)) is amended by adding at the end  
8 the following new paragraph:

1           “(10) BORROWER MODIFICATION OF INTEREST  
2       RATE.—

3           “(A)     MODIFICATION.—Notwithstanding  
4       the preceding paragraphs of this subsection, the  
5       borrower of a Federal Direct Stafford Loan, a  
6       Federal Direct Unsubsidized Stafford Loan, a  
7       Federal Direct PLUS Loan, or a Federal Di-  
8       rect Consolidation Loan may elect to modify the  
9       interest rate of the loan to be equal to the in-  
10      terest rate that would be applicable to such loan  
11      if such loan were first disbursed (or in the case  
12      of a Federal Direct Consolidation Loan, first  
13      applied for) on the date on which such borrower  
14      elects to modify the interest rate of such loan.

15           “(B) FIXED RATE.—Except as provided in  
16      subparagraph (C), an interest rate elected  
17      under subparagraph (A) for a loan shall be  
18      fixed for the life of the loan.

19           “(C) CONTINUING AUTHORITY TO MOD-  
20      IFY.—A borrower may elect to modify the inter-  
21      est rate of a loan in accordance with subpara-  
22      graph (A) at any time during the life of the  
23      loan.”.

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