

**Legislative Bulletin.....June 23, 2009**

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**H.R. 1777 - Making technical corrections to the Higher Education Act of 1965, as amended**

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**H.R. 1777 – Making technical corrections to the Higher Education Act of 1965, as amended (*George Miller, D-CA*)**

**Order of Business:** The bill is scheduled to be considered on Tuesday, June 23, 2009, under a motion to suspend the rules and pass the bill. H.R. 1777 passed the House of Representatives on March 30, 2009 by voice vote. The Senate passed an amended version of the legislation by unanimous consent on June 23, 2009. The House is considering the Senate-passed version today.

**Summary:** H.R.1777 would make changes to the Higher Education Opportunity Act (HEOA). Highlights of those changes, provided by the House Education and Labor Committee, include the following (**see Senate additions in bold**):

*Section 101.*

- **Senate addition:** Would clarify that the foreign nursing schools currently participating in the Title IV programs do not have to conform with the new eligibility rules implemented in the HEOA until July 1, 2012 (**The original House language exempted these schools from the new requirements.**)
- Changes an effective date from July 1, 2010 to the date of enactment of HEOA for provisions that made changes to the general definition of an institution of higher education.

*Section 201.*

- Clarifies that programs should prepare teacher candidates graduating from an undergraduate teacher education program to use modern information, communications, and learning tools to help students in the classroom.
- **Senate addition:** Adjusts the teacher residency program definition to allow the participation of programs that provide a baccalaureate degree and master's degree within five years.

*Section 301.*

- Clarifies that the Department has the authority to reduce the minimum allotment if there is not enough appropriations to cover the minimum amount for every eligible institution.
- Ensures Howard University, which gets funding through another Act, cannot also receive funds through this bill.

*Section 401.*

- Moves the eligibility for an automatic-zero estimated family contribution for certain students from the Pell Grant program to the Needs Analysis section of the law. This would allow certain students to receive the maximum Pell Grant.
- **Senate addition:** Expands the automatic-zero policy to students who have had a military parent die as a result of their service in Iraq or Afghanistan.

*Section 402.*

- Clarifies that guaranty agencies and lenders are permitted to do financial aid entrance counseling for students.
- Allows for one additional way to get loan rehabilitation for borrowers who have defaulted on their student loans (but have paid nine out of ten consecutive payments on time). Under current law, the actual rehabilitation does not take place until the loan is sold from the guaranty agency to the lender. The current liquidity problems in the student loan industry have made it impossible for lenders to purchase these loans from guaranty agencies. This change will allow the Secretary to accept assignment of defaulted loans from guaranty agencies if the borrower has made enough payments to rehabilitate them. This will act as the sale to the lender.

*Section 404.*

- Clarifies the loan purchase authority enacted as part of H.R. 5715, the Ensuring Continued Access to Student Loans Act to allow the Secretary to purchase loans that have previously been rehabilitated from lenders.

*Section 406.*

- Inserts language relating to automatic zero eligibility for students whose parent or guardian died while serving in the military in Iraq or Afghanistan.
- Ensures that veterans' educational benefits are not counted in determining a veteran's eligibility for federal financial aid beginning in the 2009-2010 academic year.

*Section 407.*

- **Senate addition:** Allows institutions of higher education that have ongoing experimental site projects to continue for an additional year.

*Section 409.*

- Because DoE does not think they will receive enough bides to have a successful auction, this bill provides a one-year delay for the start of the PLUS loan auction. Under current law, DoE is required to implement an auction for the determination

of lenders eligible to make PLUS loans to schools participating in the Federal Family Education Program.

- **Senate addition:** Clarifies that the Department of Education does not have to go through the rulemaking process for these changes.

*Section 701.*

- **Senate addition:** Requires that a postsecondary program for students with intellectual disabilities be integrated with non-disabled students to the maximum extent possible.

**Committee Action:** The bill was introduced on March 30, 2009, and referred to the House Committee on Education and Labor. The bill was then passed by the House of Representatives on March 30, 2009. The Senate passed the bill, as amended, on June 23, 2009.

**Administration Position:** No Statement of Administration Policy (SAP) is available.

**Cost to Taxpayers:** There is no CBO score available.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** The bill requires postsecondary schools to integrate intellectually disabled students with non-disabled students as much as possible.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No committee report is available.

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