

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1911
OFFERED BY MS. FOXF OF NORTH CAROLINA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Smarter Solutions for
3 Students Act”.

4 SEC. 2. STUDENT LOAN INTEREST RATES.

5 Section 455(b) of the Higher Education Act of 1965
6 (20 U.S.C. 1087e(b)) is amended—

7 (1) in paragraph (7)—

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

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

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

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

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

1 (3) by inserting after paragraph (7), the fol-
2 lowing:

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

5 “(A) RATES FOR FDSL AND FDUSL.—Not-
6 withstanding the preceding paragraphs of this
7 subsection, for Federal Direct Stafford Loans
8 and Federal Direct Unsubsidized Stafford
9 Loans for which the first disbursement is made
10 on or after July 1, 2013, the applicable rate of
11 interest shall, during any 12-month period be-
12 ginning on July 1 and ending on June 30, be
13 determined on the preceding June 1 and be
14 equal to—

15 “(i) the high-yield 10-year Treasury
16 notes auctioned at the final auction held
17 prior to such June 1; plus

18 “(ii) 2.5 percent,
19 except that such rate shall not exceed 8.5 per-
20 cent.

21 “(B) PLUS LOANS.—Notwithstanding the
22 preceding paragraphs of this subsection, for any
23 Federal Direct PLUS Loan for which the first
24 disbursement is made on or after July 1, 2013,
25 the applicable rate of interest shall, during any

1 12-month period beginning on July 1 and end-
2 ing on June 30, be determined on the preceding
3 June 1 and be equal to—

4 “(i) the high-yield 10-year Treasury
5 notes auctioned at the final auction held
6 prior to such June 1; plus

7 “(ii) 4.5 percent,
8 except that such rate shall not exceed 10.5 per-
9 cent.

10 “(C) CONSOLIDATION LOANS.—Notwith-
11 standing the preceding paragraphs of this sub-
12 section, any Federal Direct Consolidation Loan
13 for which the application is received on or after
14 July 1, 2013, shall bear interest at an annual
15 rate on the unpaid principal balance of the loan
16 that is equal to the weighted average of the in-
17 terest rates on the loans consolidated, rounded
18 to the nearest higher one-eighth of one per-
19 cent.”.

20 **SEC. 3. BUDGETARY EFFECTS.**

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

1 (b) SENATE PAYGO SCORECARD.—The budgetary ef-
2 fects of this Act shall not be entered on any PAYGO score-
3 card maintained for purposes of section 201 of S. Con.
4 Res. 21 (110th Congress).

