

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2038

To amend the Higher Education Act of 1965 to prevent an institution from participating in the Pell Grant program if the institution is ineligible for participation in the Federal Stafford Loan program because of high default rates.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1995

Mrs. ROUKEMA (for herself and Mr. GORDON) introduced the following bill; which was referred to the Committee on Economic and Educational Opportunities

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## A BILL

To amend the Higher Education Act of 1965 to prevent an institution from participating in the Pell Grant program if the institution is ineligible for participation in the Federal Stafford Loan program because of high default rates.

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. DEFAULT RATE INELIGIBILITY FOR PELL**  
4 **GRANT PROGRAM.**

5 Section 481(a) of the Higher Education Act of 1965  
6 (20 U.S.C. 1088a) is amended by adding at the end the  
7 following new paragraph:

1       “(7) An institution may not qualify as an institution  
2 of higher education for purposes of the Pell Grant pro-  
3 gram under subpart 1 of part A of this title if such institu-  
4 tion is ineligible to participate in a loan program under  
5 part B of this title as a result of a default rate determina-  
6 tion under section 435(a).”.

7 **SEC. 2. EFFECTIVE DATE.**

8       The amendment made by this Act shall apply with  
9 respect to periods of enrollment beginning on or after the  
10 date of enactment of this Act.

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