

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

# H. R. 4490

To provide higher education relief to individuals and institutions affected by Hurricanes Katrina and Rita, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 8, 2005

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

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## A BILL

To provide higher education relief to individuals and institutions affected by Hurricanes Katrina and Rita, and for other purposes.

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. REFERENCES.**

4 References in this Act to “the Act” are references  
5 to the Higher Education Act of 1965 (20 U.S.C. 1001  
6 et seq.).

7 **SEC. 2. WAIVERS AND MODIFICATIONS.**

8 Notwithstanding any other provision of law, unless  
9 enacted with specific reference to this section, the Sec-  
10 retary is authorized to waive or modify any statutory or

1 regulatory provision applicable to the student financial as-  
2 sistance programs under title IV of the Act, or any student  
3 or institutional eligibility provisions in the Act, as the Sec-  
4 retary deems necessary in connection with a Gulf hurri-  
5 cane disaster to ensure that—

6           (1) the calculation of expected family contribu-  
7 tion under section 474 of the Act used in the deter-  
8 mination of need for student financial assistance  
9 under title IV of the Act for any affected student  
10 (and the determination of such need for his or her  
11 family, if applicable), is modified to reflect any  
12 changes in the financial condition of such affected  
13 student and his or her family resulting from a Gulf  
14 hurricane disaster; and

15           (2) institutions of higher education, systems of  
16 institutions, or consortia of institutions that are lo-  
17 cated in an area affected by a Gulf hurricane dis-  
18 aster, or that are serving affected students, are eligi-  
19 ble, notwithstanding section 486(d) of the Act, to  
20 apply for participation in the distance education  
21 demonstration program under section 486 of the  
22 Act, except that the Secretary shall include in re-  
23 ports under section 486(f) of the Act an identifica-  
24 tion of those institutions, systems, and consortia

1 that were granted participation in the demonstration  
2 program due to a Gulf hurricane disaster.

3 **SEC. 3. CANCELLATION OF INSTITUTIONAL REPAYMENT BY**  
4 **COLLEGES AND UNIVERSITIES AFFECTED BY**  
5 **A GULF HURRICANE DISASTER.**

6 Notwithstanding any provision of title IV of the Act  
7 or any regulation issued thereunder, the Secretary shall  
8 cancel any obligation of an affected institution to return  
9 or repay any funds the institution received before the date  
10 of enactment of this Act for, or on behalf of, its students  
11 under subpart 1 or 3 of part A or parts B, C, D, or E  
12 of title IV of the Act for any cancelled enrollment period.

13 **SEC. 4. CANCELLATION OF STUDENT LOANS FOR CAN-**  
14 **CELLED ENROLLMENT PERIODS.**

15 (a) **LOAN FORGIVENESS AUTHORIZED.**—Notwith-  
16 standing any provision of title IV of the Act, the Secretary  
17 shall discharge all loan amounts under parts B and D of  
18 title IV of the Act, and cancel any loan made under part  
19 E of such title, disbursed to, or on behalf of, an affected  
20 student for a cancelled enrollment period.

21 (b) **REIMBURSEMENT.**—The Secretary shall—

22 (1) reimburse each affected institution for any  
23 amounts discharged under subsection (a) with re-  
24 spect to a loan under part E of title IV of the Act  
25 in the same manner as is required by section 465(b)

1 of the Act with respect to a loan cancelled under sec-  
2 tion 465(a) of the Act; and

3 (2) reimburse lenders for the purpose of dis-  
4 charging any loan amounts disbursed to, or on be-  
5 half of, an affected student under part B of title IV  
6 of the Act for a cancelled enrollment period.

7 (c) LIMITATION ON CONSOLIDATION LOANS.—A loan  
8 amount for a loan made under section 428C of the Act  
9 or a Federal Direct Consolidation Loan may be eligible  
10 for discharge under this section only to the extent that  
11 such loan amount was used to repay a loan to an affected  
12 student for a cancelled enrollment period.

13 (d) CONSTRUCTION.—Nothing in this section shall be  
14 construed to authorize any refunding of any repayment  
15 of a loan.

16 **SEC. 5. TEMPORARY DEFERMENT OF STUDENT LOAN RE-**  
17 **PAYMENT.**

18 An affected individual who is a borrower of a quali-  
19 fied student loan or a qualified parent loan shall be grant-  
20 ed a deferment, not in excess of 6 months, during which  
21 periodic installments of principal need not be paid, and  
22 interest—

23 (1) shall accrue and be paid by the Secretary,  
24 in the case of a loan made under section 428, 428B,  
25 428C, or 428H of the Act;

1           (2) shall accrue and be paid by the Secretary  
2           to the Perkins loan fund held by the institution of  
3           higher education that made the loan, in the case of  
4           a loan made under part E of title IV of the Act; and

5           (3) shall not accrue, in the case of a Federal  
6           Direct Loan made under part D of such title.

7 **SEC. 6. NO AFFECT ON GRANT AND LOAN LIMITS.**

8           Notwithstanding any provision of title IV of the Act  
9           or any regulation issued thereunder, no grant or loan  
10          funds received by an affected student under title IV of  
11          the Act for a cancelled enrollment period shall be counted  
12          against such affected student's annual or aggregate grant  
13          or loan limits for the receipt of grants or loans under that  
14          title.

15 **SEC. 7. TEACHER LOAN RELIEF.**

16          The Secretary may waive the requirement of sections  
17          428J(b)(1) and 460(b)(1)(A) of the Act that the 5 years  
18          of qualifying service be consecutive academic years for any  
19          teacher whose employment was interrupted if—

20                 (1) the teacher was employed in qualifying serv-  
21                 ice, at the time of a Gulf hurricane disaster, in a  
22                 school located in an area affected by a Gulf hurri-  
23                 cane disaster; and

24                 (2) the teacher resumes qualifying service not  
25                 later than the beginning of academic year 2006–



1 lished under part A of title IV of the Social Security Act,  
2 and the women, infants, and children program established  
3 under section 17 of the Child Nutrition Act of 1966, and  
4 other programs identified by the Secretary.

5 **SEC. 9. PROCEDURES.**

6 (a) DEADLINES AND PROCEDURES.—Sections 482(c)  
7 and 492 of the Act shall not apply to any waivers, modi-  
8 fications, or actions initiated by the Secretary under this  
9 Act.

10 (b) CASE-BY-CASE BASIS.—The Secretary is not re-  
11 quired to exercise any waiver or modification authority  
12 under this Act on a case-by-case basis.

13 **SEC. 10. TERMINATION OF AUTHORITY.**

14 The authority of the Secretary to issue waivers or  
15 modifications under this Act shall expire at the conclusion  
16 of the 2005–2006 academic year, but the expiration of  
17 such authority shall not affect the continuing validity of  
18 any such waivers or modifications after such academic  
19 year.

20 **SEC. 11. DEFINITIONS.**

21 For purposes of this Act, except as otherwise specifi-  
22 cally provided in this Act, the following terms have the  
23 following meanings:

24 (1) AFFECTED INDIVIDUAL.—The term “af-  
25 fected individual” means an individual who has ap-

1       plied for or received student financial assistance  
2       under title IV of the Higher Education Act of 1965,  
3       and—

4               (A) who is an affected student; or

5               (B) whose primary place of employment or  
6       residency was, as of August 29, 2005, in an  
7       area affected by a Gulf hurricane disaster.

8       (2) AFFECTED INSTITUTION.—The term “af-  
9       fected institution” means an institution of higher  
10      education that—

11              (A) is located in an area affected by a Gulf  
12      hurricane disaster; and

13              (B) has temporarily ceased operations as a  
14      consequence of a Gulf hurricane disaster, as de-  
15      termined by the Secretary.

16      (3) AFFECTED STATE.—The term “affected  
17      State” means the State of Alabama, Florida, Lou-  
18      isiana, Mississippi, or Texas.

19      (4) AFFECTED STUDENT.—The term “affected  
20      student” means an individual who has applied for or  
21      received student financial assistance under title IV  
22      of the Higher Education Act of 1965, and who—

23              (A) was enrolled or accepted for enroll-  
24      ment, as of August 29, 2005, at an institution

1 of higher education in an area affected by a  
2 Gulf hurricane disaster;

3 (B) was a dependent student enrolled or  
4 accepted for enrollment at an institution of  
5 higher education that is not in an area affected  
6 by a Gulf hurricane disaster, but whose parents  
7 resided or were employed, as of August 29,  
8 2005, in an area affected by a Gulf hurricane  
9 disaster; or

10 (C) was enrolled or accepted for enrollment  
11 at an institution of higher education, as of Au-  
12 gust 29, 2005, and whose attendance was inter-  
13 rupted because of a Gulf hurricane disaster.

14 (5) AREA AFFECTED BY A GULF HURRICANE  
15 DISASTER.—The term “area affected by a Gulf hur-  
16 ricane disaster” means a county or parish, in an af-  
17 fected State, that has been designated by the Fed-  
18 eral Emergency Management Agency for disaster as-  
19 sistance for individuals and households as a result of  
20 Hurricane Katrina or Hurricane Rita.

21 (6) CANCELLED ENROLLMENT PERIOD.—The  
22 term “cancelled enrollment period” means any pe-  
23 riod of enrollment at an affected institution during  
24 the academic year 2005.

1           (7) GULF HURRICANE DISASTER.—The term  
2 “Gulf hurricane disaster” means a major disaster  
3 that the President declared to exist, in accordance  
4 with section 401 of the Robert T. Stafford Disaster  
5 Relief and Emergency Assistance Act, and that was  
6 caused by Hurricane Katrina or Hurricane Rita.

7           (8) INSTITUTION OF HIGHER EDUCATION.—The  
8 term “institution of higher education” has the  
9 meaning given such term in section 102 of the High-  
10 er Education Act of 1965, except that the term does  
11 not include institutions under subsection (a)(1)(C)  
12 of that section.

13           (9) QUALIFIED STUDENT LOAN.—The term  
14 “qualified student loan” means any loan made, in-  
15 sured, or guaranteed under part B, D, or E of title  
16 IV of the Higher Education Act of 1965, other than  
17 a loan under section 428B of such title or a Federal  
18 Direct Plus loan.

19           (10) QUALIFIED PARENT LOAN.—The term  
20 “qualified parent loan” means a loan made under  
21 section 428B of title IV of the Higher Education  
22 Act of 1965 or a Federal Direct Plus loan.

23           (11) SECRETARY.—The term “Secretary”  
24 means the Secretary of Education.

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