

110TH CONGRESS  
1ST SESSION

# S. 282

To amend the Higher Education Act of 1965 to reduce over a 5-year period the interest rate on certain undergraduate student loans.

---

IN THE SENATE OF THE UNITED STATES

JANUARY 12, 2007

Mr. DURBIN (for himself and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

---

## A BILL

To amend the Higher Education Act of 1965 to reduce over a 5-year period the interest rate on certain undergraduate student loans.

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. SHORT TITLE.**

4 This Act may be cited as the “College Student Relief  
5 Act of 2007”.

6 **SEC. 2. APPLICABLE INTEREST RATES.**

7 Section 427A(l) of the Higher Education Act of 1965  
8 (20 U.S.C. 1077a(l)) is amended—

1           (1) in paragraph (1), by inserting “and subject  
2           to paragraph (4)” after “Notwithstanding subsection  
3           (h)”; and

4           (2) by adding at the end the following:

5           “(4) SPECIAL RULE FOR SUBSIDIZED UNDER-  
6           GRADUATE LOANS.—Notwithstanding subsection (h),  
7           with respect to any loan made, insured, or guaran-  
8           teed under this part (other than a loan made pursu-  
9           ant to section 428B, 428C, or 428H) to or for an  
10          undergraduate student for which the first disburse-  
11          ment is made on or after—

12           “(A) July 1, 2007, the applicable rate of  
13           interest shall be 6.12 percent on the unpaid  
14           principal balance of the loan;

15           “(B) July 1, 2008, the applicable rate of  
16           interest shall be 5.44 percent on such balance;

17           “(C) July 1, 2009, the applicable rate of  
18           interest shall be 4.76 percent on such balance;

19           “(D) July 1, 2010, the applicable rate of  
20           interest shall be 4.08 percent on such balance;

21           and

22           “(E) July 1, 2011, the applicable rate of  
23           interest shall be 3.40 percent on such balance.”.

○