Petri #9 Revised

AMENDMENT TO H.R. 4137, AS REPORTED

OFFERED BY MR. PETRI OF WISCONSIN

Auction evaluation

Page 451, line 24, strike "and"; on page 452, line 5, strike the period and insert "; and"; and after such line insert the following new paragraph:

"(8) the feasibility of a specific alternative market-based mechanism that will—

"(A) determine lender returns;

"(B) result in reduced Federal costs on a program-wide basis, on loans made, insured, or guaranteed under part B of this title, excluding from consideration the Federal PLUS loans described in section 428B that are the subject of the competitive loan auction pilot program under this section;

"(C) include not more than—

"(i) 10 percent of the annual loan volume under this part B of this title during the first year of the alternative pilot program; and

"(ii) 20 percent of the annual loan volume under this part B of this title dur-

1 ing the subsequent years of the alternative
2 pilot program;
3 "(D) permit participation in any alter-
4 native auction-based pilot program on a vol-
5 untary basis for eligible institutions and eligible
6 lenders participating under part B of this title
7 prior to July 1, 2007; and
8 "(E) provide for all savings to the United
9 States Treasury generated by such alternative
10 pilot program to be distributed to institutions
11 participating under this section on a basis pro-
12 portionate to loan volume under such part for
13 supplemental, need-based financial aid, except
14 than an institution that is operating as an eligi-
15 ble lender under section 435(d)(2) shall not be
16 eligible for any such distribution.

Page 452, line 14, strike the close quotation marks and following period, and after line 14 insert the following new subsection:

17 "(e) INDEPENDENT EVALUATION.—The Government
18 Accountability Office shall conduct an independent evalua-
19 tion of any auction or auctions conducted under this sec-
20 tion no later than September 1, 2013.".