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Rev

AMENDMENT TO H.R. 4137, AS REPORTED
OFFERED BY MR. SHAYS OF CONNECTICUT

At the end of title VIII, add the following new section:

1 **SEC. 814. SENSE OF CONGRESS REGARDING THE STUDENT**
2 **LOAN LIQUIDITY PROBLEM.**
3 (a) FINDINGS.—Congress finds the following:
4 (1) There is no better investment than a higher
5 education for the citizens of the United States and
6 to assist in meeting the cost of that education.
7 (2) The current subprime mortgage crisis has
8 affected all assets, including quality assets, and is
9 now affecting federally guaranteed student loans
10 under the Federal Family Education Loans Pro-
11 gram (FFEL Program).
12 (3) The Chairman of the Federal Reserve in
13 testimony before the Committee on Budget in the
14 House noted that the rising rate of delinquencies of
15 subprime mortgages threaten to impose losses on
16 holders of even highly rated securities and investors
17 have started to question the reliability of the credit
18 ratings for a range of financial products and they

1 have become increasingly unwilling to hold these
2 types of investments.
3 (4) Confidence in the financial markets gen-
4 erally is imperative to ensuring that quality assets,
5 such as student loan asset-backed securities, remain
6 available and viable so as to prevent any disruption
7 in services to students who utilize the FFEL Pro-
8 gram to meet their higher education finance needs.
9 (5) With daily news reports of lenders leaving
10 the FFEL Program or limiting their participation in
11 the program, it is crucial that we work together to
12 ensure that students have continued access to stu-
13 dent loans to pay for the cost of their postsecondary
14 education.
15 (b) SENSE OF CONGRESS.—It is the sense of Con-
16 gress that, at a time when our economy is fragile and
17 higher education and retraining opportunities are more
18 important than ever, the Federal financial institutions and
19 entities, such as the Federal Finance Bank, the Federal
20 Home Loan Bank, Federal Reserve and others, utilize
21 available authority in a timely manner to assist in insuring
22 liquidity and the availability of various financing mecha-
23 nisms for the purpose of bringing stability to the student
24 loan market place during this time of market unrest.