AMENDMENT TO H.R. 5715, AS REPORTED

OFFERED BY MR. MCKEON OF CALIFORNIA

Auction delay

At the end of the bill, add the following new section:

1 **SEC. 9. SENSE OF CONGRESS RELATING TO AUCTIONS.**

2 (a) FINDINGS.—The Congress finds the following:

3 (1) As of April 14, 2008, forty-nine lenders
4 have announced they are temporarily dropping out
5 of the Federal Family Education Loan (FFEL) Pro-
6 gram, including many large lenders.

7 (2) Many other lenders have also announced
8 that they are scaling back on originating non-Fed-
9 eral student loans, making it more important that
10 students and families have access to the PLUS loan
11 program.

12 (3) The College Cost Reduction Act of 2007
13 drastically cut lender subsidies, making it unprofit-
14 able for many lenders to make FFEL loans.

15 (4) The articulated purpose of the PLUS loan
16 auction authorized by the College Cost Reduction
17 Act of 2007 was to increase competition within the
18 PLUS loan program.

1 (5) Authorizing the PLUS loan auction on the
2 heels of a potential liquidity crisis is unlikely to re-
3 sult in a fair or competitive bidding process.
4 (b) SENSE OF CONGRESS.—It is the sense of Con-
5 gress that the implementation of the PLUS loan auction
6 authorized under section 499 of the Higher Education Act
7 of 1965 (as added by the College Cost Reduction Act of
8 2007) should be delayed until no earlier than July 1,
9 2010, to allow for the student loan and credit markets
10 to stabilize.