

114TH CONGRESS  
1ST SESSION

# H. R. 649

To authorize borrowers of loans under the William D. Ford Federal Direct Loan Program to modify the interest rate of such loans to be equal to the interest rate for such loans at the time of modification.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2015

Mr. POCAN (for himself, Mr. LOWENTHAL, Ms. SCHAKOWSKY, Mr. CARTWRIGHT, Mr. SCHRADER, Ms. WILSON of Florida, Ms. CHU of California, Mr. ELLISON, Mr. KIND, Mr. COHEN, and Ms. BROWNLEY of California) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To authorize borrowers of loans under the William D. Ford Federal Direct Loan Program to modify the interest rate of such loans to be equal to the interest rate for such loans at the time of modification.

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 “Student Loan Refi-  
5 nancing Act”.

1 **SEC. 2. BORROWER MODIFICATION OF INTEREST RATES**  
2 **UNDER THE WILLIAM D. FORD FEDERAL DI-**  
3 **RECT LOAN PROGRAM.**

4 Section 455(b) of the Higher Education Act of 1965  
5 (20 U.S.C. 1087e(b)) is amended by adding at the end  
6 the following new paragraph:

7 “(11) BORROWER MODIFICATION OF INTEREST  
8 RATE.—

9 “(A) MODIFICATION.—Notwithstanding  
10 the preceding paragraphs of this subsection, the  
11 borrower of a Federal Direct Stafford Loan, a  
12 Federal Direct Unsubsidized Stafford Loan, a  
13 Federal Direct PLUS Loan, or a Federal Di-  
14 rect Consolidation Loan may elect to modify the  
15 interest rate of the loan to be equal to the in-  
16 terest rate that would be applicable to such loan  
17 if such loan were first disbursed (or in the case  
18 of a Federal Direct Consolidation Loan, first  
19 applied for) on the date on which such borrower  
20 elects to modify the interest rate of such loan.

21 “(B) FIXED RATE.—Except as provided in  
22 subparagraph (C), an interest rate elected  
23 under subparagraph (A) for a loan shall be  
24 fixed for the life of the loan.

25 “(C) CONTINUING AUTHORITY TO MOD-  
26 IFY.—A borrower may elect to modify the inter-

1 est rate of a loan in accordance with subpara-  
2 graph (A) at any time during the life of the  
3 loan.”.

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