

**AMENDMENT TO THE AMENDMENT IN THE  
NATURE OF A SUBSTITUTE TO H.R. 4508  
OFFERED BY MR. GROTHMAN OF WISCONSIN**

Insert after section 487 the following:

1 **SEC. 488. INSTITUTIONAL FINES.**

2 Part G of title IV (20 U.S.C. 1088 et seq.), as  
3 amended by this part, is further amended by inserting  
4 after section 484C the following:

5 **“SEC. 484D. INSTITUTIONAL FINES.**

6 “(a) IN GENERAL.—On an annual basis, each institu-  
7 tion of higher education participating in a student loan  
8 program under this title a shall pay to the Secretary a  
9 fine that is equal to five percent of the total amount (in-  
10 cluding interest and collection fees) of any covered loans—

11 “(1) made to a student for the purpose of at-  
12 tending the institution; and

13 “(2) with respect to which, the student is deter-  
14 mined not to be in positive repayment status for the  
15 most recent fiscal year for which data are available.

16 “(b) DEFINITIONS.—In this section the terms ‘cov-  
17 ered loan’ and ‘positive repayment status’ have the mean-  
18 ings given the terms in section 481B.”

