

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1911
OFFERED BY MR. HECK OF NEVADA**

Redesignate section 3 as section 4.

Insert after section 2, the following new section:

1 **SEC. 3. INCENTIVES FOR CERTAIN LOANS DISBURSED ON**
2 **OR AFTER JULY 1, 2013.**

3 Paragraph (9) of section 455(b) of the Higher Edu-
4 cation Act of 1965 (20 U.S.C. 1087e(b)), as redesignated
5 by section 2(2) of this Act, is amended—

6 (1) in subparagraph (C)—

7 (A) in the subparagraph heading, by in-
8 serting “, AND BEFORE JULY 1, 2013”; and

9 (B) by inserting “, and before July 1,
10 2013” after “2012”; and

11 (2) by adding at the end the following new sub-
12 paragraph:

13 “(D) INCENTIVES FOR LOANS DISBURSED
14 ON OR AFTER JULY 1, 2013.—Notwithstanding
15 any other provision of this part with respect to
16 loans for which the first disbursement of prin-
17 cipal is made before July 1, 2013, the Secretary

1 is authorized to prescribe by regulation such re-
2 ductions in the interest paid by a borrower of
3 a Federal Direct Stafford Loan or Federal Di-
4 rect Unsubsidized Stafford Loan for which the
5 first disbursement of principal is made on or
6 after July 1, 2013, as the Secretary determines
7 appropriate to encourage on-time payment of
8 the loan, except that such reductions may be of-
9 fered only if the borrower makes 48 on-time
10 payments of the loan.”.

