

116TH CONGRESS
2D SESSION

H. R. 8904

To amend the Higher Education Act of 1965 to establish the Federal Perkins ARC loan program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 8, 2020

Mr. POCAN (for himself, Mr. DESAULNIER, and Ms. SEWELL of Alabama) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to establish the Federal Perkins ARC loan program, and for other purposes.

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 “Perkins Access, Reten-
5 tion, and Completion (ARC) Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Since the inception of the Federal Perkins
9 Loan Program in 1958, over \$28,000,000,000 in

1 loans have been made to students through more
2 than 25,000,000 aid awards. Millions of students
3 and families in need have been helped by Federal
4 Perkins Loans.

5 (2) The Federal Perkins Loan Program was a
6 revolving fund that utilized a model of risk sharing,
7 local control, and school based servicing that greatly
8 benefited students, borrowers, and institutions of
9 higher education for six decades.

10 (3) In the 2016–2017 academic year, the last
11 year that Federal Perkins Loans were authorized,
12 30 percent of families with dependent students re-
13 ceiving Federal Perkins Loans had annual incomes
14 below \$30,000 and 8 percent of families with de-
15 pendent students receiving Federal Perkins Loans
16 had annual incomes below \$12,000.

17 (4) Since the expiration of the Federal Perkins
18 Loan Program authorization in 2017, there has been
19 no substitute or replacement aid for college students
20 with need, which has resulted in many students hav-
21 ing to borrow higher cost student loans or withdraw
22 from college altogether.

23 **SEC. 3. FEDERAL PERKINS ARC LOANS.**

24 (a) IN GENERAL.—Part E of title IV of the Higher
25 Education Act of 1965 (20 U.S.C. 1087a et seq.) is

1 amended by inserting before section 461 the following new
2 section:

3 **“SEC. 460A. FEDERAL PERKINS ACCESS, RETENTION, AND**
4 **COMPLETION ARC LOAN.**

5 “(a) DESIGNATION OF LOANS.—The Secretary shall
6 carry out a program assisting in the maintenance of funds
7 at institutions of higher education for the making of loans
8 to undergraduate, graduate, and professional students in
9 need to pursue their courses of study in such institutions
10 or while engaged in programs of study abroad approved
11 for credit by such institutions. Loans made under this sec-
12 tion shall be known as ‘Federal Perkins ARC Loans’.

13 “(b) TERMS AND CONDITIONS.—Unless otherwise
14 specified in this section, all terms and conditions and other
15 requirements applicable to Federal Perkins Loans estab-
16 lished under section 461 shall apply to Federal Perkins
17 ARC Loans made pursuant to this section.

18 “(c) AGREEMENTS.—The Secretary may not provide
19 assistance to an institution of higher education under this
20 section unless such institution enters into an agreement
21 with the Secretary under section 463(a).

22 “(d) ELIGIBLE BORROWERS.—A loan under this sec-
23 tion may only be made to a student who—

1 “(1) is eligible under section 464(b) (including
2 graduate and professional students as defined in
3 regulations promulgated by the Secretary);

4 “(2) attends an eligible institution with an
5 agreement with the Secretary under section 463(a);
6 and

7 “(3) the institution uses its authority under
8 such agreement to award the student a loan.”.

9 (b) REAUTHORIZATION OF PERKINS LOANS.—Sec-
10 tion 461(b) of the Higher Education Act of 1965 (20
11 U.S.C. 1087aa(b)) is amended—

12 (1) by striking “(1) IN GENERAL.—”;

13 (2) by redesignating subparagraphs (A), (B),
14 and (C) as paragraphs (1), (2), and (3), respectively;
15 and

16 (3) by striking paragraphs (2) and (3).

17 (c) ALLOCATION OF FUNDS FOR PERKINS ARC
18 LOAN.—Section 462 of the Higher Education Act of 1965
19 (20 U.S.C. 1087bb) is amended—

20 (1) by striking subsections (a) and (b); and

21 (2) by inserting before subsection (c) the fol-
22 lowing:

23 “(a) AVAILABLE DIRECT PERKINS ARC ANNUAL
24 LOAN AUTHORITY.—There are hereby made available,
25 from funds made available for loans made under part D,

1 not to exceed \$6,000,000,000 of annual loan authority for
2 award year 2020–2021 and each succeeding award year
3 until the program is determined by the Secretary to be
4 self-sustaining, to be allocated under subsection (b).

5 “(b) ALLOCATION BASED ON PREVIOUS ALLOCA-
6 TION.—

7 “(1) IN GENERAL.—From the amount appro-
8 priated pursuant to section 462(b), for each fiscal
9 year, the Secretary shall allocate to each eligible in-
10 stitution an amount equal to not less than 90 per-
11 cent and not more than 110 percent of the amount
12 that the eligible institution received under this sub-
13 section and subsection (a) (as such subsections were
14 in effect with respect to allocations for such fiscal
15 year) for the previous fiscal year for which that in-
16 stitution received funds under this section.

17 “(2) RATABLE REDUCTION.—If the amount ap-
18 propriated for any fiscal year is less than the
19 amount required to be allocated to all institutions
20 under paragraph (1), then the amount of the alloca-
21 tion to each such institution shall be ratably re-
22 duced.

23 “(3) NO PREVIOUS ALLOCATION.—In the case
24 of an institution that has not received a previous al-
25 location under this section, the Secretary shall allo-

1 cate funds under this section solely on the basis of
2 the self-help need determination described under
3 subsection (c).”.

4 (d) CONTINUED LOAN SERVICING.—Section 466 of
5 the Higher Education Act of 1965 (20 U.S.C. 1087ff) is
6 amended by adding at the end the following:

7 “(d) CONTINUED LOAN SERVICING.—The Secretary
8 shall continue to make payments for student loan servicing
9 to institutions of higher education that service outstanding
10 existing Federal Perkins Loans awarded under part E of
11 title IV prior to the date of the enactment of the Perkins
12 Access, Retention, and Completion (ARC) Act.”.

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