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AMENDMENT TO H.R. 4137, AS REPORTED

OFFERED BY MR. PETRI OF WISCONSIN

Direct loan program audit

Page 359, beginning on line 13, strike subparagraphs (C), (D), and (E) and insert the following (and redesignate the succeeding paragraphs accordingly):

"(C) with respect to each of the guaranty agencies operating under a guaranty agreement under section 428(c)—

"(i) un-reconciled balances in held loans by year of origination;

"(ii) status and number of defaulted loans by length of default in 30-day increments; and

"(iii) status and number of delinquent loans by length of delinquency in 30-day increments;

Page 359, line 23, insert before the period the following: "carrying out activities under this part".

Page 359, beginning on line 24, strike subsection (c) through page 360, line 12.

Page 360, after line 12, insert the following new subsection:

1 (d) AUDIT OF FEDERAL FAMILY EDUCATION LOAN
2 PROGRAM PORTFOLIO AND GUARANTY AGENCIES.—The
3 Secretary of Education shall have a financial and compli-
4 ance audit of all guaranty agencies participating in the
5 loan programs under part B of title IV of the Higher Edu-
6 cation Act of 1965 (including each guaranty agencies' con-
7 tract for the servicing, collecting, and related activities of
8 such loans), conducted annually by a qualified inde-
9 pendent organization from a list of qualified organizations
10 promulgated by the Secretary in accordance with the
11 standards established by the Comptroller General. The
12 standards shall measure the guaranty agency's compliance
13 with the due diligence standards and shall include a de-
14 fined statistical sampling technique designed to measure
15 the performance rating of the guaranty agency for the
16 purpose of this subsection. The Secretary shall submit the
17 audit to Congress within 60 days of its completion and
18 shall at the same time make the results of the audit pub-
19 licly available.