

AMENDMENT TO H.R. 3221, AS REPORTED
OFFERED BY MR. RYAN

After section 230, insert the following:

1 **“SEC. 231 SENSE OF CONGRESS ON IMPROVING ESTIMATES**
2 **OF FEDERAL EDUCATION LOAN PROGRAMS.**

3 “(a) FINDINGS.—Congress finds the following:

4 “(1) The Federal Credit Reform Act of 1990 (2
5 U.S.C. 661 et seq.) requires the Congressional
6 Budget Office to use a net present value calculation
7 based on a discount rate when estimating any budg-
8 etary effects of changes to the Federal student loan
9 programs authorized under title IV of the Higher
10 Education Act of 1965 (20 U.S.C. 1070 et seq.).

11 “(2) Relying only on a net present value cal-
12 culation when estimating the budgetary effects of a
13 change to the Federal student loan programs does
14 not provide Congress with an accurate picture of the
15 costs or savings to the Federal Government because
16 it does not reflect market risk.

17 “(3) For a more realistic prediction of costs or
18 savings, Congress has directed the Congressional
19 Budget Office and the Office of Management and
20 Budget to use market risk when estimating the cost

1 of recent programs, such as the Troubled Asset Re-
2 lief Program under the Emergency Economic Sta-
3 bilization Act of 2008 (12 U.S.C. 5201 et seq.) and
4 the expansion of the International Monetary Fund
5 under the heading ‘United States Quota, Inter-
6 national Monetary Fund’ in title XIV of the Supple-
7 mental Appropriations Act, 2009 (Public Law 111-
8 32).

9 “(4) The Congressional Budget Office noted in
10 a letter dated July 27, 2009, that the 10-year sav-
11 ings estimated for the proposal in the Student Aid
12 and Fiscal Responsibility Act of 2009 to end the
13 Federal Family Education Loan program under part
14 B of title IV of the Higher Education Act of 1965
15 (20 U.S.C. 1071 et seq.) would be \$33,000,000,000
16 less if market risk were taken into account in such
17 estimate.

18 “(5) If market risk were factored into the budg-
19 etary impact of the Student Aid and Fiscal Respon-
20 sibility Act of 2009, it would increase the deficit by
21 \$32,000,000,000 over 10 years due to the Act’s in-
22 creased spending and creation of 10 new entitlement
23 programs. This would be a direct violation of clause
24 10 of rule XXI of the Rules of the House of Rep-

1 representatives (commonly known as the ‘House
2 PAYGO rule’).

3 “(b) SENSE OF CONGRESS.—It is the sense of Con-
4 gress that the Federal Credit Reform Act (2 U.S.C. 661
5 et seq.) should be amended to include market risk in the
6 development of estimates for any changes made to Federal
7 student loan programs authorized under title IV of the
8 Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).”.

Conform the table of contents accordingly.

