

Public Law 91-94

JOINT RESOLUTION

To amend section 19(e) of the Securities Exchange Act of 1934.

October 20, 1969
[S. J. Res. 112]

Whereas additional time is required for the Securities and Exchange Commission to complete its institutional investors study, and file a report with respect thereto, pursuant to section 19(e) of the Securities Exchange Act of 1934: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 19(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78s(e)) is amended—

(1) by striking out in paragraph (1) "September 1, 1969" and inserting in lieu thereof "September 1, 1970"; and

(2) by striking out in paragraph (4) "\$875,000" and inserting in lieu thereof "\$945,000".

Approved October 20, 1969.

Securities Exchange Act of 1934, amendment.
82 Stat. 453.

Public Law 91-95

AN ACT

To authorize special allowances for lenders with respect to insured student loans under title IV-B of the Higher Education Act of 1965 when necessary in the light of economic conditions in order to assure that students will have reasonable access to such loans for financing their education, and to increase the authorizations for certain other student assistance programs.

October 22, 1969
[H. R. 13194]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Insured Student Loan Act of 1969".

Emergency Insured Student Loan Act of 1969.

INCENTIVE PAYMENTS ON INSURED STUDENT LOANS

SEC. 2. (a) (1) Whenever the Secretary of Health, Education, and Welfare determines that the limitations on interest or other conditions (or both) applicable under part B of title IV of the Higher Education Act of 1965 (Public Law 89-329) to student loans eligible for insurance by the Commissioner of Education or under a State or nonprofit private insurance program covered by an agreement under section 428(b) of such Act, considered in the light of the then current economic conditions and in particular the relevant money market, are impeding or threatening to impede the carrying out of the purposes of such part B and have caused the return to holders of such loans to be less than equitable, he is hereby authorized, by regulation applicable to a three-month period specified therein, to prescribe (after consultation with the Secretary of the Treasury and the heads of other appropriate agencies) a special allowance to be paid by the Commissioner of Education to each holder of an eligible loan or loans. The amount of such allowance to any holder with respect to such period shall be a percentage, specified in such regulation, of the average unpaid balance of disbursed principal (not including interest added to principal) of all eligible loans held by such holder during such period, which balance shall be computed in a manner specified

79 Stat. 1236.
20 USC 1071-1087.

Amount.

in such regulation; but no such percentage shall be set at a rate in excess of 3 per centum per annum.

(2) A determination pursuant to paragraph (1) may be made by the Secretary of Health, Education, and Welfare, on a national, regional, or other appropriate basis and the regulation based thereon may, accordingly, set differing allowance rates for different regions or other areas or classifications of lenders, within the limit of the maximum rate set forth in paragraph (1).

(3) For each three-month period with respect to which the Secretary of Health, Education, and Welfare prescribes a special allowance, the determination required by paragraph (1) shall be made, and the percentage rate applicable thereto shall be set, by promulgation of a new regulation or by amendment to a regulation applicable to a prior period or periods.

(4) The special allowance established for any such three-month period shall be payable at such time, after the close of such period, as may be specified by or pursuant to regulations promulgated under this Act. The holder of a loan with respect to which any such allowance is to be paid shall be deemed to have a contractual right, as against the United States, to receive such allowance from the Commissioner.

(5) Each regulation or amendment, prescribed under this Act, which establishes a special allowance with respect to a three-month period specified in the regulation or amendment shall, notwithstanding section 505 of the Higher Education Amendments of 1968, apply to the three-month period immediately preceding the period in which such regulation or amendment is published in the Federal Register, except that the first such regulation may be made effective as of August 1, 1969, and notwithstanding other provisions of this section requiring a three-month period, may be made effective for a period of less than three months.

(6)(A) The Secretary of Health, Education, and Welfare shall determine, with respect to the student insured loan program as authorized under part B of title IV of the Higher Education Act of 1965 and this Act, whether there are any practices of lending institutions which may result in discrimination against particular classes or categories of students, including the requirement that as a condition to the receipt of a loan the student or his family maintain a business relationship with the lender, the consequences of such requirement, and the practice of refusing to make loans to students for their freshman year of study, and also including any discrimination on the basis of sex, color, creed, or national origin. The Secretary shall make a report with respect to such determination, and his recommendations, to the Congress on or before March 1, 1970.

(B) If, after making such determination, the Secretary finds that, in any area, a substantial number of eligible students are denied a fair opportunity to obtain an insured student loan because of practices of lending institutions in the area which limit student participation, (i) he shall take such steps as may be appropriate, after consultation with the appropriate State guarantee agencies and the Advisory Council on Financial Aid to Students, relating to such practices and to encourage the development in such area of a plan to increase the availability of financial assistance opportunities for such students, and (ii) he shall, within sixty days after making such determination, adopt or amend

National or regional allowance rates.

Effective date of payment.

82 Stat. 1063.
20 USC 1001
note.

Publication in Federal Register.

Discrimination.

79 Stat. 1236.
20 USC 1071-1087.

Report to Congress.

Financial assistance opportunities.

Regulations by HEW Secretary.

appropriate regulations pertaining to the student insured loan program to prevent, where practicable, any practices which he finds have denied loans to a substantial number of students.

(7) As used in this Act, the term "eligible loan" means a loan made on or after August 1, 1969, and prior to July 1, 1971, which is insured under title IV-B of the Higher Education Act of 1965, or made under a program covered by an agreement under section 428 (b) of such Act.

(b) The Commissioner of Education shall pay to the holder of an eligible loan, at such time or times as are specified in regulations, a special allowance prescribed pursuant to subsection (a), subject to the condition that such holder shall submit to the Commissioner, at such time or times and in such manner as he may deem proper, such information as may be required by regulation for the purpose of enabling the Secretary of Health, Education, and Welfare and the Commissioner to carry out their functions under this Act and to carry out the purposes of this Act.

(c) (1) There are hereby authorized to be appropriated for special allowances as authorized by this section not to exceed \$20,000,000 for the fiscal year ending June 30, 1970, \$40,000,000 for the fiscal year ending June 30, 1971, and for succeeding fiscal years such sums as may be necessary.

(2) Sums available for expenditure pursuant to appropriations made for the fiscal year ending June 30, 1969, under section 421 (b) (other than clause (1) thereof) of the Higher Education Act of 1965 shall be available for payment of special allowances under this Act. The authorization in paragraph (1) shall be reduced by the amount made available pursuant to this paragraph.

"Eligible
loan."

20 USC 1078.

Appropriation.

79 Stat. 1236;
82 Stat. 1021.
20 USC 1071.

INCREASED AUTHORIZATION FOR THE NATIONAL DEFENSE STUDENT LOAN PROGRAM

SEC. 3. Section 201 of the National Defense Education Act of 1958 is amended by striking out "\$275,000,000 for the fiscal year ending June 30, 1970, and, \$300,000,000 for the fiscal year ending June 30, 1971" and inserting in lieu thereof "\$325,000,000 for the fiscal year ending June 30, 1970, and \$375,000,000 for the fiscal year ending June 30, 1971".

82 Stat. 1034.
20 USC 421.

INCREASED AUTHORIZATION FOR THE EDUCATIONAL OPPORTUNITY GRANT PROGRAM

SEC. 4. Section 401 (b) of the Higher Education Act of 1965 is amended by striking out "\$100,000,000 for the fiscal year ending June 30, 1970, and \$140,000,000 for the fiscal year ending June 30, 1971" and inserting in lieu thereof "\$125,000,000 for the fiscal year ending June 30, 1970, and \$170,000,000 for the fiscal year ending June 30, 1971".

82 Stat. 1017.
20 USC 1061.

INCREASED AUTHORIZATION FOR THE WORK-STUDY PROGRAM

SEC. 5. Section 441 (b) of the Higher Education Act of 1965 is amended by striking out "\$250,000,000 for the fiscal year ending June 30, 1970, and \$285,000,000 for the fiscal year ending June 30, 1971" and inserting in lieu thereof "\$275,000,000 for the fiscal year ending June 30, 1970, and \$320,000,000 for the fiscal year ending June 30, 1971".

82 Stat. 1028.
42 USC 2751.

Approved October 22, 1969.