

**AMENDMENT TO H.R. 4137**  
**OFFERED BY MR. PETRI OF WISCONSIN**

**Auction evaluation**

Page 424, beginning on line 3, strike subsection (d) and insert the following:

1           “(d) REPORTS.—The Secretary and the Secretary of  
2 the Treasury shall submit to the authorizing committees—

3           “(1) not later than September 1, 2009, a pre-  
4 liminary report regarding the finds of the evaluation  
5 described in subsection (c), and shall recommend the  
6 implementation of a specific alternative market-  
7 based mechanism that will—

8                       “(A) determining lender returns;

9                       “(B) result in reduced Federal costs on a  
10 program-wide basis, on loans made, insured, or  
11 guaranteed under part B of title IV of the  
12 Higher Education Act of 1965 (20 U.S.C. 1071  
13 et seq.) excluding from consideration the Fed-  
14 eral PLUS loans described in section 428B that  
15 are the subject of the competitive loan auction  
16 pilot program under this section 499;

17                       “(C) include not more than —

1                   “(i) 10 percent of the annual loan vol-  
2                   ume under this part B of title IV during  
3                   the first year of the alternative pilot pro-  
4                   gram, and

5                   “(ii) 20 percent of the annual loan  
6                   volume under this part B of title IV during  
7                   the subsequent years of the alternative  
8                   pilot program;

9                   “(D) permit participation in any alter-  
10                  native auction-based pilot program under this  
11                  subsection on a voluntary basis for eligible in-  
12                  stitutions and eligible lenders participating  
13                  under part B of title IV prior to July 1, 2007;

14                  “(E) provide for all savings to the United  
15                  States Treasury generated by such alternative  
16                  pilot to be distributed to institutions partici-  
17                  pating under this section on a basis propor-  
18                  tionate to loan volume under such part for sup-  
19                  plemental, need-based financial aid, except than  
20                  an institution that is operating as an eligible  
21                  lender under section 435(d)(2) shall not be eli-  
22                  gible for any such distribution;

23                  “(2) not later than September 1, 2012, an in-  
24                  terim report regarding such findings, including the  
25                  alternative market-based pilot, if adopted; and

1           “(3) not later than September 1, 2013 a final  
2           report regarding such findings, including the alter-  
3           native market-based pilot, if adopted.

4           “(e) INDEPENDENT EVALUATION.—The Government  
5           Accountability Office shall conduct an independent evalua-  
6           tion of the pilot programs conducted under this section  
7           no later than September 1, 2013.”.