

inserting after "repayment period of the loan," the following: "or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (c) of this section or in subsection (a) (2) (C) of the preceding section,".

(d) Deferment of repayment of principal, as provided in the amendments made by subsection (a) of this section, may be authorized (but not required) with respect to loans meeting the requirements of subparagraph (B) or (C) of section 428(a) (1) of the Higher Education Act of 1965, or of subparagraph (B) or (C) of section 9(a) (1) of the National Vocational Student Loan Insurance Act of 1965, which are outstanding on the date of enactment of this Act, but only with respect to periods of attendance or service occurring on or after such date, or after June 30, 1967, whichever is later. The amendments made by subsection (b) shall be effective with respect to loans made by the Commissioner and, with the consent of the lender, loans insured by the Commissioner, which are outstanding on such date of enactment, but only with respect to periods of attendance or service occurring on or after such date or after June 30, 1967, whichever is later. The amendments made by subsection (c) shall become effective on the date of enactment of this Act or on July 1, 1967, whichever is later.

COORDINATION BETWEEN NON-FEDERAL AND FEDERAL PROGRAMS WITH RESPECT TO
MAXIMUM AMOUNTS OF INDIVIDUAL LOANS INSURED AND MINIMUM AMOUNTS OF
REPAYMENT INSTALLMENTS ON SUCH LOANS

Annual Maximum of \$1,500, Aggregate Maximum of \$7,500 for Higher
Education

SEC. 422. (a) (1) Subparagraph (A) of section 428(b) (1) of the Higher Education Act of 1965 is amended by inserting the following before the semicolon at the end of such subparagraph: ", which limit shall not be deemed exceeded by line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500;".

(2) Paragraph (1) of section 425(a) of the Higher Education Act of 1965 is amended (1) by striking out "in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student" in the first sentence, and (2) by striking out "in the case of any graduate or professional student (as defined in regulations of the Commissioner, and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student" in the second sentence.

Annual Maximum of \$1,500, Aggregate Maximum of \$3,000, for Vocational
Education

(b) (1) Subparagraph (A) of section 9(b) (1) of the National Vocational Student Loan Insurance Act of 1965 is amended to read as follows:

"(A) provides that the program will insure loans made to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner) of up to but not in excess of \$1,500, which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all insured loans under the program made to any student shall not at any time exceed \$3,000;".

(2) Subsection (a) of section 6 of the National Vocational Student Loan Insurance Act of 1965 is amended (1) by striking out "\$1,000" in the first sentence and inserting "\$1,500" in lieu thereof, and (2) by striking out "\$2,000" in the second sentence and inserting "\$3,000" in lieu thereof.

Minimum Annual Repayments for Higher and Vocation Education

(c) Paragraph (1) of section 428(b) of the Higher Education Act of 1965 and paragraph (1) of section 9(b) of the National Vocational Student Loan Insurance Act of 1965 are each amended (1) by striking out the period at the end of subparagraph (J) and inserting a semicolon in lieu thereof, and (2) by adding at the end of subparagraph (J) the following: