119TH CONGRESS
1ST SESSION

S. 3253

To amend the Servicemembers Civil Relief Act to extend the interest rate limitation on debt entered into during military service to debt incurred during military service to consolidate or refinance student loans incurred before military service, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 20, 2025

Mr. DURBIN (for himself, Ms. DUCKWORTH, and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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A BILL

To amend the Servicemembers Civil Relief Act to extend the interest rate limitation on debt entered into during military service to debt incurred during military service to consolidate or refinance student loans incurred before military service, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Servicemember Student Loan Affordability Act of 2025''.

SEC. 2. INTEREST RATE LIMITATION ON DEBT ENTERED INTO DURING MILITARY SERVICE TO CONSOLIDATE OR REFINANCE STUDENT LOANS INCURRED BEFORE MILITARY SERVICE.

(a) IN GENERAL.—Subsection (a) of section 207 of the Servicemembers Civil Relief Act (50 U.S.C. 3937) is amended—

(1) in paragraph (1), by inserting "ON DEBT INCURRED BEFORE SERVICE" after "LIMITATION TO 6 PERCENT";

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(3) by inserting after paragraph (1) the following new paragraph (2):

"(2) LIMITATION TO 6 PERCENT ON DEBT INCURRED DURING MILITARY SERVICE TO CONSOLIDATE OR REFINANCE STUDENT LOANS INCURRED BEFORE MILITARY SERVICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), an obligation or liability bearing interest at a rate in excess of 6 percent per year that is incurred by a servicemember, or the servicemember and the servicemember's spouse jointly, during military service to consolidate or refinance one or more student loans incurred by the servicemember before such military service shall not bear an interest at a rate in excess of 6 percent during the period of military service.

"(B) LIMITATION.—Subparagraph (A) shall apply only to the consolidation or refinancing of student loans described in such subparagraph and shall not apply to the consolidation or refinancing of any other obligation or liability.";

(4) in paragraph (3), as redesignated by paragraph (2) of this subsection, by inserting "or (2)" after "paragraph (1)"; and

(5) in paragraph (4), as so redesignated, by striking "paragraph (2)" and inserting "paragraph (3)".

(b) IMPLEMENTATION OF LIMITATION.—Subsection (b) of such section is amended—

(1) in paragraph (1)(A), by striking "the interest rate limitation in subsection (a)" and inserting "an interest rate limitation in paragraph (1) or (2) of subsection (a)"; and

(2) in paragraph (2)—

(A) in the paragraph heading, by striking "EFFECTIVE AS OF DATE OF ORDER TO ACTIVE DUTY" and inserting "EFFECTIVE DATE"; and

(B) by inserting before the period at the end the following: "in the case of an obligation or liability covered by subsection (a)(1), or as of the date the servicemember (or servicemember and spouse jointly) incurs the obligation or liability concerned under subsection (a)(2)".

(c) STUDENT LOAN DEFINED.—Subsection (d) of such section is amended by adding at the end the following new paragraph:

"(3) STUDENT LOAN.—The term 'student loan' means—

"(A) a Federal student loan made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); or

"(B) a private education loan as that term is defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).".

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