

119TH CONGRESS
1ST SESSION

S. 3538

To amend the Higher Education Act of 1965 to eliminate origination fees
on Federal Direct loans.

IN THE SENATE OF THE UNITED STATES

DECEMBER 17, 2025

Mr. BANKS (for himself, Mr. KAINE, Mr. BOOKER, and Mr. VAN HOLLEN)
introduced the following bill; which was read twice and referred to the
Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to eliminate
origination fees on Federal Direct loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Student Loan Tax
5 Elimination Act”.

6 **SEC. 2. ELIMINATION OF ORIGINATION FEES ON FEDERAL**
7 **DIRECT LOANS.**

8 (a) REPEAL OF ORIGINATION FEES.—Subsection (c)
9 of section 455 of the Higher Education Act of 1965 (20
10 U.S.C. 1087e(c)) is repealed.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply with respect to loans made
3 under part D of title IV of the Higher Education Act of
4 1965 (20 U.S.C. 1087a et seq.) for which the first dis-
5 bursement of principal is made, or, in the case of a Fed-
6 eral Direct Consolidation Loan, the application is received,
7 on or after July 1 following the date of enactment of this
8 Act.

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