

109TH CONGRESS
1ST SESSION

H. R. 4628

To amend the Higher Education Act of 1965 to impose a fee on holdings
of student loans.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2005

Mr. HOLDEN introduced the following bill; which was referred to the
Committee on Education and the Workforce

A BILL

To amend the Higher Education Act of 1965 to impose
a fee on holdings of student 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 Market-
5 place Equity Act”.

6 **SEC. 2. FEE IMPOSED.**

7 Section 438 of the Higher Education Act of 1965 (20
8 U.S.C. 1087–1) is amended by adding at the end the fol-
9 lowing new subsection:

10 “(g) SPECIAL FEE.—

1 “(1) FEE IMPOSED.—An entity that is the dom-
2 inant lender under this part shall pay to the Sec-
3 retary, on a monthly basis, a special fee calculated
4 on an annual basis in an amount equal to 0.25 per-
5 cent of the value of the entity’s portfolio of interests
6 in student loans.

7 “(2) VALUE OF PORTFOLIO.—The value of an
8 entity’s portfolio of interest in student loans is equal
9 to the sum of—

10 “(A) the principal amount of all loans
11 made, insured, or guaranteed under this part
12 that are held directly by the entity or its sub-
13 sidiary or affiliate;

14 “(B) the principal amount of all loans
15 made, insured, or guaranteed under this part
16 that have been sold or or otherwise transferred
17 to a securitization trust by the entity or its sub-
18 sidiary or affiliate, but that are otherwise under
19 the control of the entity or its subsidiary or af-
20 filiate; and

21 “(C) the aggregate present value, fairly de-
22 termined, of any other interest in loans made,
23 insured, or guaranteed under this part that are
24 retained by the entity or its subsidiary or affil-
25 iate, as determined by the Secretary, in accord-

1 ance with the accounting measures established
2 under paragraph (3)(A).

3 “(3) DETERMINATION OF OTHER AMOUNTS
4 SUBJECT TO THE FEE.—

5 “(A) Not later than 60 days after the date
6 of enactment of the Student Loan Marketplace
7 Equity Act, the Secretary shall establish ac-
8 counting measures to be used to determine the
9 types of loans and the loan amounts (and re-
10 tained interests therein), that shall be subject
11 to the special fee under paragraph (2), and
12 shall publish such measures in the Federal Reg-
13 ister.

14 “(B) The Secretary shall make the deter-
15 mination under paragraph (2) within 60 days of
16 the date of enactment of the Student Loan
17 Marketplace Equity Act (notwithstanding the
18 provisions of section 492), and annually there-
19 after.

20 “(4) EFFECTIVE DATE.—This subsection shall
21 be effective for loans held by the entity described in
22 paragraph (1) on or after the date of enactment of
23 the Student Loan Marketplace Equity Act.

24 “(5) DEFINITION OF DOMINANT LENDER.—For
25 the purposes of this subsection, the term ‘dominant

1 lender under this part' means the entity whose port-
2 folio of interests in student loans has the greatest
3 value, as determined annually by the Secretary.'".

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