

A BILL

To abolish all interest charges on loans, mortgages, credit cards, and other extensions of credit, 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 "Interest Abolition Act of 2025".

SECTION 2. PROHIBITION ON INTEREST CHARGES.

(a) IN GENERAL.—Notwithstanding any other provision of law, no person, entity, or financial institution may charge, collect, or receive any interest, finance charge, or similar fee on any loan, mortgage, credit card account, line of credit, or other extension of credit entered into after the effective date of this Act.

(b) DEFINITIONS.—For purposes of this section:

(1) The term "interest" includes any periodic rate of finance charge, annual percentage rate, or similar compensation for the use of money or credit.

(2) The term "extension of credit" has the meaning given such term in section 103 of the Truth in Lending Act (15 U.S.C. 1602).

SECTION 3. AMENDMENTS TO EXISTING LAW.

(a) TRUTH IN LENDING ACT.—The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended—

(1) in section 107 (15 U.S.C. 1606), by adding at the end the following:

"(f) MAXIMUM ANNUAL PERCENTAGE RATE.—Notwithstanding any other provision of law, the annual percentage rate applicable to any extension of credit shall be zero percent."; and

(2) by repealing sections relating to the disclosure of finance charges insofar as they permit interest (including sections 127 and 128 (15 U.S.C. 1637, 1638)).

(b) OTHER LAWS.—Any provision of Federal law authorizing or regulating interest rates, including provisions in title 12, United States Code (relating to banks and banking), is amended to prohibit interest charges consistent with this Act.

SECTION 4. TREATMENT OF EXISTING OBLIGATIONS.

(a) PHASE-OUT.—For any loan, mortgage, credit card account, or other extension of credit entered into before the effective date of this Act—

(1) no further interest may accrue after the effective date; and

(2) any outstanding interest balances as of the effective date shall be forgiven and not collectible.

(b) ADMINISTRATION.—The Consumer Financial Protection Bureau, in consultation with the Board of Governors of the Federal Reserve System, shall administer the phase-out of existing interest obligations, including refunds, adjustments, and enforcement.

SECTION 5. ENFORCEMENT.

(a) CIVIL PENALTIES.—Any violation of this Act shall be subject to civil penalties under the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481 et seq.).

(b) PRIVATE RIGHT OF ACTION.—Any person aggrieved by a violation of this Act may bring a civil action in a court of competent jurisdiction.

SECTION 6. EFFECTIVE DATE.

This Act shall take effect on January 1, 2026.