

Big Changes to Federal Student Loans:

What Health Professions Students Need to Know

Beginning July 1, 2026, changes to the law will affect the amount of federal student loans health professions students can borrow, the types of loans available, and their repayment options after graduation.

This document is written for health professions students and explains what's changing, when it takes effect, and how it may impact them. We encourage students who are unsure how any of this applies to them to talk to their school's financial aid office before making enrollment or borrowing decisions.

Loan Options and Loan Limits

What is changing and when?

Starting July 1, 2026, the **Graduate PLUS loan program will be eliminated unless students qualify for a limited exception**. Students who currently depend on Grad PLUS loans to help pay for school should be sure they know whether they qualify for the exception and what conditions could lead to the loss of Graduate PLUS eligibility.

There are also **new Direct Unsubsidized Loan annual and total (aggregate) limits**, based on whether students are considered graduate or professional students, and a new lifetime borrowing limit.

Some health professions students will see higher annual and aggregate Direct Unsubsidized Loan eligibility, while others will qualify for lower amounts.

Direct Unsubsidized Loan Limits for Health Professions Students						
	Master's/Doctorate in Public Health; Master's/Doctorate in Health Administration, Doctor of Naturopathic Medicine (considered graduate programs for Direct Loan purposes)		Doctor of Allopathic, Osteopathic, Veterinary, or Podiatric Medicine; Dentistry, or Optometry (considered professional programs for Direct Loan purposes)		Doctoral Degree in Clinical Psychology; Doctor of Chiropractic or Pharmacy (considered professional programs for Direct Loan purposes)	
	New	Limited Exception	New	Limited Exception	New	Limited Exception
Annual limit	\$20,500	\$33,000 - \$47,167*	\$50,000	\$40,500 - \$47,167*	\$50,000	\$33,000 - \$37,167*
Aggregate limit	\$100,000	\$224,000 (all levels of study)	\$200,000 (professional-level borrowing only)	\$224,000 (all levels of study)	\$200,000 (professional-level borrowing only)	\$224,000 (all levels of study)
Lifetime limit	\$257,500 (all levels of study)**	Same as aggregate	\$257,500 (all levels of study)**	Same as aggregate	\$257,500 (all levels of study)**	Same as aggregate

* Based on academic year length

** Includes amounts repaid, canceled, forgiven, or discharged

Students who qualify for the limited exception, described below, that allows them to continue to borrow Graduate PLUS loans are also exempt from the new Direct Unsubsidized annual, aggregate, and lifetime limits.

Limited exception

The law allows some students to continue borrowing from the Graduate PLUS program without being subject to the new Direct Unsubsidized annual, aggregate, and lifetime borrowing limits under a **limited exception** through their time to completion, for a **maximum of three years**.

Students may qualify for the limited exception if:

- They remain **continuously enrolled** in the **same program of study at the same institution** as they were enrolled as of **June 30, 2026, AND**
- They had a **Direct Loan disbursed** (Direct Unsubsidized or Graduate PLUS) **for that same program before July 1, 2026**

Common Questions About The Elimination of Graduate PLUS and New Direct Unsubsidized Loan Limits

Is there an opportunity to qualify for the limited exception for students who don't currently meet the criteria?

Yes, taking out a federal student loan (Direct Unsubsidized or Graduate PLUS) before June 30, 2026, could help students keep access to Graduate PLUS Loans and the current aggregate and lifetime borrowing limits under the limited exception. Remember, though, that students who meet the limited exception criteria maintain access to the Graduate PLUS loan, but are limited to borrowing the current Direct Unsubsidized Loan limits detailed above. Think of it as an all-or-nothing when it comes to qualifying for the new loan terms versus the old terms. Additionally, borrowing solely to "lock in" eligibility may not be the right choice for everyone. Borrowing has long-term consequences, so talk with the financial aid office before deciding to borrow.

Can students opt out of the limited exception eligibility if they prefer those annual and aggregate limits?

No, limited exception eligibility cannot be forfeited.

What happens when students no longer qualify for the limited exception?

After three academic years, or earlier if the student withdraws, ceases enrollment, or completes their program of study, they will no longer qualify for Graduate PLUS Loans and will become subject to the new annual, aggregate, and lifetime borrowing limits.

What options are available for students who need to borrow more than they are able through federal student loans?

Talk to the financial aid office about other financing options, like scholarships, payment plans, institutional, or private loans.

New Rules Require Loan Amounts to Be Prorated for Less Than Full-Time Enrollment

If students enroll **part-time in 2026-27 or future years**, their federal Direct Unsubsidized and/or Graduate PLUS Loans (if they qualify to borrow a Graduate PLUS under the limited exception described above) **must be prorated** in accordance with changes to the law.



Students thinking of enrolling part-time or dropping a class should **talk to their financial aid office first to understand the implications**.

Repayment Plan Changes Apply to All Borrowers

Students **who borrow a new federal Direct Loan on or after July 1, 2026**, will be eligible for only two repayment plans:

1. Tiered Standard Repayment
 - Fixed monthly payments
 - Repayment term lengths range from 10 to 25 years, depending on the amount borrowed.
2. Repayment Assistance Plan (RAP)
 - Monthly payments based on income
 - Loan forgiveness after 30 years of repayment
 - Is a qualifying plan for Public Service Loan Forgiveness



All federal loans must be repaid using the same repayment plan. Students with older loans (borrowed before July 1, 2026) who take out new loans on or after that date will have to repay their loans under one of the two repayment options described above.

Students **who do not borrow a new federal Direct Loan on or after July 1, 2026**, may continue to access current repayment options, including:

- Standard (10-year), Graduated, or Extended Repayment
- Income-Based Repayment (IBR)
- Pay As You Earn (PAYE)*
- Income-Contingent Repayment (ICR)*

*The law sunsets the PAYE and ICR plans effective July 1, 2028. Borrowers who enroll in PAYE or ICR must switch to any of the other eligible plans listed before July 1, 2028, or they will be automatically moved into RAP.

They **may also access the new repayment options** once they become available in July 2026:

- Repayment Assistance Plan (RAP)
- Tiered Standard Repayment

All information provided here is based on NASFAA's understanding of the Department of Education's implementation of the One Big Beautiful Bill Act, as outlined in draft regulatory text. All details are subject to change pending the release of the final regulatory text, which is expected to be released in the first half of 2026.