

Fact Sheet

Federal Student Loan Limits for Graduate and Professional Programs

The Issue

The One Big Beautiful Bill Act (OBBBA) established new borrowing limits for students seeking federal aid. Beginning July 1, 2026, students enrolled in graduate degree programs will be limited to annual loans of \$20,500, with an aggregate limit of \$100,000 for a program of study; students enrolled in professional degree programs will be permitted to borrow up to \$50,000 per year, with an aggregate cap of \$200,000.

To inform rulemaking to implement these new requirements, the Department of Education (DOE) convened the Reimagining and Improving Student Education Committee, which recommended an updated definition of a professional degree program. Specifically, the committee recommended that the definition of a professional degree be narrowed to 11 fields: chiropractic, clinical psychology, dentistry, law, medicine, optometry, osteopathic medicine, pharmacy, podiatry, theology and veterinary medicine. This excludes critically important health care professional degree programs, such as nursing, social work, physician assistant, physical therapy and occupational therapy, among others. If the DOE adopts the updated professional degree program definition, students seeking degrees across a number of health care fields will be subject to lower annual and aggregate caps on federal student loans. The DOE has considered the committee's recommendations and is expected to propose a rule implementing these changes in early 2026.

Our Take

We urge the DOE to include a full range of health care post-baccalaureate professional degree programs in its definition of professional degrees. Our health care system — and hospitals in particular — cannot operate without advanced practice registered nurses, social workers, physical therapists, occupational therapists, respiratory therapists, speech language pathologists, physician assistants and others. In order to practice in the hospital setting, professionals in these fields must receive advanced degrees and obtain licensure. The rigorous academic, licensure and training requirements — key components of the committee's recommended update to the definition of a professional degree — underscore the importance of including these fields in the new definition.

Furthermore, excluding certain health care programs from the proposed definition of a professional degree could exacerbate the ongoing shortage of health care professionals. Restricting the ability of borrowers to access federal student loans in amounts necessary to cover the cost of tuition

would prevent many qualified candidates from enrolling in or completing these programs. Given the significant strain on the health care system, ensuring a pipeline of highly educated health care professionals is essential.

Background

Health care — and hospital care in particular — requires a full team of highly trained health care professionals working together to provide high quality, comprehensive, person-centered care. This interdisciplinary model is more important than ever to address increasingly complex health needs, with 3 in every 4 Americans having one chronic condition and more than half of all Americans having more than two.

Despite the demand for health care workers, persistent shortages risk access to care. As of June 2024, approximately 75 million people lived in a primary care Health Professional Shortage Area. If implemented, a narrowed definition of a professional degree could make these shortages worse.

Average loan costs across health care workforce programs are higher than the graduate-level limitations established by OBBBA. According to the National Center for Education Statistics, the average cost of attendance for nurses and social workers pursuing graduate degrees is more than \$30,000 per year, exceeding the \$20,500 annual loan cap for graduate degrees. For physical therapists, the American Physical Therapy Association reports the average cost of attendance is between \$108,212 and \$126,034, before living expenses, fees and other costs. Reduced loan access would:

- Increase out-of-pocket costs for students or force students to take on a patchwork of private loans at higher cost.
- Reduce enrollment in advanced practice registered nurse (APRN) programs because prospective students cannot finance tuition and living costs.
- Narrow the supply of clinicians who provide primary care, maternal health, behavioral health, and rural/safety-net services and long-term support services.
- Shrink the pipeline of qualified faculty, making it harder for schools to expand enrollment in undergraduate, graduate, and doctoral programs, and thereby exacerbating existing workforce shortages.

Potential Impacts on Patient Access, Hospitals and Health Systems

- **Demand for APRNs, speech-language pathologists, occupational therapists and others is growing.** According to the Bureau of Labor Statistics (BLS), demand for APRNs is projected to grow by 38% between 2022 and 2032, requiring approximately 29,200 new APRNs each year to meet rising patient needs. Similarly, the BLS projects a 15% increase in demand for speech-language pathologists and a 14% increase for occupational therapists. With 1 in 6 Americans over the age of 65, the need for health care workers will continue to grow.

- **Critical services are at risk.** Certified registered nurse anesthetists administer anesthesia in 70% of rural hospitals, and over half of U.S. counties have no obstetric physician, relying heavily on APRN-led maternal care. Any reduction in the APRN pipeline would directly decrease availability of high-need services, especially in rural and safety-net hospitals.
- **Recruitment strain is real.** A 2022–2023 national workforce scan by the American Hospital Association found that nearly 1,400 U.S. hospitals — about 31% — reported “critical staffing shortages.”
- **Consequences for patients are significant.** A reduced health care workforce pipeline means longer wait times for patients, delayed diagnoses and increased emergency visits, ultimately raising costs and straining health systems.

Other Resources

- [Annual and Aggregate Loan Limits | 2024-2025 Federal Student Aid Handbook](#)
- [Federal Student Loan Program Provisions Effective Upon Enactment Under the One Big Beautiful Bill Act | Knowledge Center](#)
- [AONL CEO Makes Statement on Federal Regulatory Definition of Professional Degree | AONL](#)