American Hospital Association™
Advancing Health in America

AONL™

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 recommendation excluded critically important health care professional degree programs, such as nursing, social work, physician assistant, physical therapy and occupational therapy, among others. On April 30, the DOE issued a final rule incorporating the committee's recommendation. As a result, students seeking degrees across a number of health care fields will be subject to lower annual and aggregate caps on federal student loans.

Our Take

The AHA is disappointed by the DOE's decision to exclude highly skilled health professionals such as advance practice nurses, physician assistants and physical therapists from its final definition of a "professional student." The definition fails to account for the significant education and training required to enter these professions and could deter prospective students from pursuing health care careers. This could result in fewer essential clinicians at the bedside, leading to longer wait times and reduced access to care. We will continue to work to strengthen the health care workforce that patients and communities across the country depend on.

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.

Background (Continued)

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.

Despite the demand for health care workers, persistent shortages risk access to care. As of May 2026, approximately 106 million people lived in a primary care Health Professional Shortage Area. The narrowed definition of a professional degree could make these shortages worse. As the need for health care workers continues to grow, reduced loan access will:

- 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) and other advanced degree health care programs because prospective students cannot finance tuition and living costs.
- 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.
- Narrow the supply of clinicians who provide primary care, maternal health, behavioral health, and rural/safety-net services and long-term support services.
- Disproportionately impact rural and underserved areas by limiting access to high-need critical services provided by APRNs, like anesthesia and obstetrical care. Certified registered nurse anesthetists administer anesthesia in 70% of rural hospitals, and over half of U.S. counties have no obstetric physician.
- Result in 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**