

What's Changing on July 1, 2026

- **New restrictions on Parent PLUS borrowing**
\$20k annually, \$65k aggregate per student
- **Grad PLUS eliminated for *new* students**
- **New annual and aggregate caps for grad borrowing**
Professional (\$50k/\$200k) vs. non-professional programs (\$20.5k/\$100k)
- **Loans prorated by enrollment intensity (i.e. 0.75 FTE = 75% max loan)**
- **New accountability metrics into play**
Bachelor's vs. high school; graduate vs. bachelor's
- **Changes to Pell COA calculations, implementation of Workforce Pell program**

“The Great Unbundling”

- Several **major** federal policy changes coming on July 1, 2026, as part of the *One Big Beautiful Bill Act*
 - Implementing regulations almost completed by U.S. Department of Education
- Changes reflect desire to unbundle institutions of higher education – away from institutional outcomes toward program-level outcomes
 - Program-level = undergraduate majors, master’s, doctoral programs
- **No longer will institutions be judged as a singular unit, but each *program* measured and evaluated as standalone entities.**
- Two main avenues: (1) accountability metrics, (2) federal lending programs.

Graduate Program Lending

New federal law changes federal graduate, parent lending rules:

Current law

- Parent PLUS Loans can be borrowed up to full cost of attendance with no caps
- Two graduate lending programs:
 - Grad PLUS & Unsubsidized Stafford Loans
 - Grad PLUS allows students to borrow up to full cost of attendance
 - Stafford Loans have hard limits in place for graduate borrowers

As of July 1, 2026

- Parent PLUS Loans capped at \$20k per student, \$65k per student aggregate
- Grad PLUS eliminated entirely
- Unsubsidized Stafford Loans delineated between “professional” and “non-professional” programs

Professional vs. Non-Professional Grad

New grad program federal loan limits for *new* students as of 7/1/26:

- “Professional” grad programs: \$50k annually/\$200k aggregate
- “Non-professional” grad programs: \$20.5k annually/\$100k aggregate

US Dept of ED took *extremely* restrictive view of definition of “professional” to include just 11 fields of study

- Only about 10% of all graduate students will be in “professional” field
- *Excludes* nursing, PA, DNP, teaching, physical therapy, occupational therapy, social work, etc.

According to federal data, approximately 90% of graduate programs will *not* be considered “professional” and, therefore, subject to lowered borrowing limits

Accountability: Earnings Metric

- As of July 1, 2026, *every program* will be evaluated for eligibility for federal student loans on an annual basis based **solely on earnings**
 - If an academic program fails the metric in 2 out of 3 years, it will lose eligibility to participate in federal student loan programs
- **Metric:**
 - Bachelor's degree programs will have completers' earnings measured against home state **HS diploma** holders (aged 25-34 years old) **four years** post-completion
 - Graduate programs will have completers' earnings measured against those in home state with a **bachelor's** degree **four years** post-completion
- Some caveats for graduate school attendees, national benchmarks depending on enrollment