

Impact of the One Big Beautiful Bill Act (OBBBA) on Federal Student Aid for Graduate/Professional Students

Effective July 1, 2026 - Professional Annual & Aggregate Loan Limits

Effective July 1, 2026, the OBBBA Caps the annual loan limits at \$50,000* for professional students. The aggregate limit is capped at \$200,000* for professional students and does not include amounts borrowed as an undergraduate. (Borrowers who are both graduate and professional students at some point in their educational careers may only borrow up to \$200,000 in total (for graduate and professional school.)

Legacy Provision: If a borrower has a Direct Loan made before July 1, 2026, while enrolled in a credentialed program, the borrower can continue to borrow under current loan limits for 3 academic years or the remainder of their expected time to credential, whichever is less.

* Current loan limits for medical students are:

- Annual: \$42,722 - \$47,166 (depending on Phase)
- Aggregate: \$224,000 (this amount includes med school and pre-med federal student loan debt)

Effective July 1, 2026 – Graduate PLUS Loan Program

Effective July 1, 2026, the OBBBA eliminates the Graduate PLUS loan program, for new borrowers.

Legacy Provision: If a borrower has a Direct Loan made before July 1, 2026, while enrolled in a credentialed program, the borrower can continue to borrow while enrolled in that program for 3 academic years or the remainder of their expected time to credential, whichever is less.

Effective July 1, 2026 – Federal Loan Program Lifetime Loan Limits

Effective July 1, 2026, the OBBBA sets a new aggregate (lifetime) loan limit of \$257,500* on all federal student loans, excluding borrowed Parent PLUS loan amounts (in the case of a dependent student who had Parent PLUS borrowed on their behalf for education expenses).

Legacy Provision: If a borrower has a Federal Direct Loan made before July 1, 2026, while enrolled in a credentialed program, the borrower can continue to borrow under the current loan limits for 3 academic years or the remainder of their expected time to credential, whichever is less.

* Current lifetime borrowing limit for medical student is \$224,000.