



Department of Education Rulemaking: Graduate Loan Provisions under the One Big Beautiful Bill Act

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TO: Selected Clients

FROM: Devon Seibert-Bailey, Sr. VP

Background

Section 81001 of the *One Big Beautiful Bill Act* (OBBBA), signed July 4, 2025, amends the Higher Education Act of 1965 to establish new loan limits for graduate and professional students and parent borrowers. It also terminates Graduate and Professional PLUS Loans. Key changes include:

- Setting maximum annual and aggregate loan amounts for Federal Direct Unsubsidized Stafford Loans.
- Ending eligibility for Federal Direct PLUS Loans for graduate and professional students starting July 1, 2026.
- Removing the partial financial hardship requirement for income-driven repayment plans, broadening eligibility.

Rulemaking Process

The Department of Education has begun drafting a proposed rule for publication in the *Federal Register*. To support this, the Department:

- Established the **Reimagining and Improving Student Education (RISE) Committee** to prepare regulations under Title IV.
- Hosted a virtual public hearing on August 7 to gather feedback on streamlining higher education regulations.

In early November 2025, the Department released a “redline” draft of the regulation. This draft excluded certain graduate degrees—such as nurses, physician assistants, and social workers, among others—from the definition of “professional degree” programs. Professional programs were defined to include medicine, pharmacy, dentistry, optometry, law, veterinary medicine, osteopathic medicine, podiatry, chiropractic, theology, and clinical psychology.

The proposed measures are scheduled for implementation on **July 1, 2026**, as required by the OBBBA. The rule is still in draft form and has not yet been submitted to the White House Office

of Management and Budget (OMB). After OMB approval, it will be published for public comment.

As this rule moves forward through the stages, we will keep you informed.

Click [here](#) for more information and summaries from the Department of Education RISE Committee.

Click [here](#) for the “redline” draft of the regulations.