

The Honorable Nicholas Kent
Under Secretary of Education
U.S. Department of Education
400 Maryland Ave., SW
Washington, DC 20202

Tamy Abernathy
Office of Postsecondary Education
U.S. Department of Education
400 Maryland Ave., SW
Washington, DC 20202

Re: [Notice of Proposed Rulemaking Docket ID ED-2025-OPE-0944; RIN 1840-AD98](#)

Dear Under Secretary Kent and Director Abernathy:

This letter is submitted on behalf of EdTrust, a national nonprofit organization dedicated to advancing policies and practices that dismantle racial and economic barriers in the American education system, in response to the Department of Education's (Department) Notice of Proposed Rulemaking (NPRM), *Reimagining and Improving Student Education* (RISE).

We appreciate the opportunity to comment on the proposed regulations for implementing the statutory changes to Title IV of the HEA programs outlined in the [One Big Beautiful Bill Act \(OBBBA\)](#). EdTrust has concerns about several provisions in OBBBA that will reduce the federal loan aid available to students, make loan repayment more expensive, and weaken essential workforce pipelines.

OBBBA represents the most sweeping rollback of federal student aid and borrower protections in a generation. Signed into law by President Donald Trump on July 4, 2025, after being passed by House and Senate Republicans, OBBBA cuts key federal financial aid programs for undergraduate and graduate students and eliminates crucial consumer protections in the federal student loan repayment system. These changes will cause lasting harm to the American higher education system and will disproportionately affect low- and middle-income students and students of color. We urge the department to review the following information on the impacts of the changes in OBBBA on students and borrowers.

We strongly encourage the Department to adopt the following recommended regulatory improvements to minimize harm to students and borrowers after the provisions of OBBBA take effect:

- **Create a transition period for current student borrowers affected by the new policy to prorate Direct Loans based on the number of credit hours taken per semester.**

Under OBBBA, Congress provided a phase-in period of up to three academic years for the new caps on graduate loans and Parent PLUS loans for currently enrolled students. The Department should implement a similar phase-in period for current students who are impacted by the new prorated undergraduate and graduate loans. While tuition costs are largely based on the number of credit hours taken, nontuition costs such as housing, food, transportation, technology, and child care are not prorated in the same way.

The lack of a transition period is particularly concerning because part-time enrollment is common among working adults, caregivers, and students balancing employment with education. These groups

disproportionately include women and students from low-income backgrounds. The sudden reduction in access to federal aid for these students may hinder their progress toward completion and increase overall borrowing costs.

- **Expand the definition of “professional degree” to include licensure-required, graduate-level programs that mandate supervised clinical or field-based training, regardless of doctoral length or CIP-code grouping.**

OBBBA makes drastic cuts to the aid available to graduate students by eliminating the Grad PLUS loan program, which allowed all graduate students, professional and non-professional, to borrow up to the cost of attendance for their education. OBBBA institutes annual and lifetime loan caps for graduate and professional students and sets higher limits for professional degrees. These changes are a fundamental shift away from the federal government’s longstanding role in supporting graduate education. The new limits are misaligned with the total cost of attendance and fail to account for program length, licensure requirements, and the reality that some graduate students are unable to work while completing required coursework or clinical training.

Cuts to federal loan aid for graduate and professional students were not accompanied by new investments in grant aid for graduate students or other higher education initiatives that would increase affordability and consequently reduce reliance on borrowing. OBBBA also does not include provisions requiring colleges and universities to lower their costs or increase financial support for graduate and professional students.

Given the importance of many graduate degree programs in preparing individuals for careers essential to the country’s functioning, EdTrust is concerned about the narrow definition of professional degrees, which restricts higher borrowing limits to a small set of programs while excluding many licensure-driven, graduate-level fields that are crucial for in-demand careers in health and education. Programs in nursing, social work, counseling, public health, education, and other allied health and human services fields require advanced training beyond a bachelor’s degree, mandate supervised clinical or practicum hours, and are subject to state licensure requirements. Many of these excluded fields have longer time-to-credential periods, unpaid clinical placements, and restrictions on outside employment, increasing the likelihood that students will reach annual or lifetime borrowing caps before becoming licensed to practice. Yet, under the proposed rule, these programs would be classified as non-professional for loan-limit purposes. This is particularly concerning since the vast majority of graduate degrees conferred each year are in fields that would not qualify for the higher “professional” loan caps. As a result, the strictest borrowing limits would impact the largest segments of graduate education, including many programs that are already experiencing severe workforce shortages.

The definition of a professional student should be expanded to include licensure-required, graduate-level programs that mandate supervised clinical or field-based training, regardless of doctoral length or CIP-code grouping because many graduate students in non-professional programs borrow more annually than the \$20,500 limit. Data from the National Postsecondary Student Aid Study (NPSAS) shows that, as of 2020, the median annual cost for graduate students in programs outside the “professional” degree classification was [\\$29,072, which is more than 40%](#) higher than the proposed \$20,500 annual loan limit.

This gap would result in an annual shortfall of more than \$8,500 that students would be expected to cover through private loans, employment, or personal resources. Under the proposed aggregate cap of \$100,000, students in three-year graduate programs could exhaust their federal borrowing eligibility before completing their degree, leaving them without access to Graduate PLUS loans to cover remaining costs. While these changes may have been intended to reign in high graduate education costs and reduce borrowing, they are more likely to push students toward private lenders with fewer borrower protections or derail their education altogether.

While the current professional degree definition privileges costly degrees that can lead to higher wages, such as medicine and dentistry, even students pursuing these degrees will likely need to seek alternative financing to cover their cost of attendance.

- **Automatically enroll borrowers who are at least 75 days delinquent into any income-driven repayment (IDR) plan or the Repayment Assistance Plan (RAP) to reduce barriers to repayment and help them avoid default, while maintaining a streamlined annual income recertification through the Internal Revenue Service.**

Many borrowers are unaware that they have access to IDR plans. The Consumer Financial Protection Bureau's 2023-2024 Student Loan Borrower Survey found that [42% of respondents](#) reported only ever being on the standard repayment plan. Of those borrowers, 31% did not know they could choose a different plan, and 14% said they needed help switching plans.

Over half of defaulted borrowers could have avoided default if they had been automatically enrolled in an IDR plan. An Urban Institute analysis of borrowers who defaulted three to four years after starting their postsecondary education in the 2011-12 academic year found [that 52% would have been eligible](#) for a \$0 payment under IDR due to their low income. Being enrolled in an IDR plan would have kept these borrowers in good standing and made their repayment path smoother. New borrowers subject to the minimum payment of \$10 in RAP could also benefit from automatic enrollment, which could help them stay on track with repayment and avoid delinquency and default.

The elimination of unemployment and economic hardship deferments is likely to increase delinquency and the need for automatic enrollment in an IDR plan or RAP. For borrowers who began college in 2016, the median number of months on a financial [hardship deferment was 12](#), four years after they completed their bachelor's degree. Also, deferment for unemployment and economic hardship was the second-most cited [reason for deferment at 27.7%](#), behind in-school deferment at 71.3%.

- **Reduce the minimum monthly payment for the Tiered Standard Plan from \$50 to \$10.**

Currently, the minimum payment under the Tiered Standard Plan is \$50. Borrowers likely to have this minimum payment are typically those with low initial balances or balances that have been paid down significantly. A lower minimum payment will make repayment more affordable and sustainable.

- **Allow borrowers on the 10-Year Tiered Standard Plan to elect to have their payments count toward Public Service Loan Forgiveness (PSLF).**

Currently, borrowers on the 10-year standard repayment plan can elect to participate in PSLF and have their loans discharged if they meet the other qualifying requirements. This option should also be extended to the new 10-Year Tiered Standard Plan. Borrowers in qualifying public service employment may switch between RAP or the new Tiered Standard Plan during their repayment years. Allowing borrowers to switch between these payment plans, while continuing to receive credit toward PSLF discharge, will encourage repayment.

We strongly hope the Department will consider these regulatory improvements. OBBBA makes higher education less affordable and debt repayment more burdensome. It contains few provisions to make college less expensive, and the loss of loan aid is not offset by more affordable alternatives. Higher education benefits individuals and society, and OBBBA puts those benefits further out of reach. EdTrust urges the Department to adopt the regulatory improvements outlined in this comment.

If you have any questions about this comment, please contact Reid Setzer, director of government affairs, at rsetzer@edtrust.org.

Sincerely,
EdTrust