

## Reimagining & Improving Student Education (RISE) - Federal Student Loans Final Regulations

*Effective Date July 1, 2026*

On May 1, 2026, the Department of Education finalized regulation implementing changes included in H.R.1, the *One Big Beautiful Bill Act*. The rule aims to lower the cost of college and streamline loan repayment programs. NACHC [commented](#) on the rule in March, urging the Department to:

- weigh the possible effects of the proposed changes on the Community Health Center (CHC) workforce, a sizable portion of which relies on federal scholarship and loan repayment programs.
- consider the potential negative impact a narrowed definition of “professional” degree may have on the workforce, given it further limits the amount of federal loans a student may receive.

While the Department acknowledged NACHC’s concerns, it finalized the rule largely as proposed, stating the intent is to “lower tuition...so that students may pursue careers in areas of high need without accumulating huge debt burdens.” The rule will go into effect on July 1, 2026.

**Background:** Many students rely on loans to fund their education in health care, and the majority (90%) are federal loans.<sup>1</sup> Federal loans give service-oriented students with limited means a chance at a career in primary care via programs like [National Health Service Corps \(NHSC\)](#) and [Public Service Loan Forgiveness \(PSLF\)](#). When access to federal loans is limited, it affects not just where students choose to train, but also where they continue to work thereafter.<sup>2</sup>

**CHC Impact:** While CHCs have no direct compliance obligations under this rule, the rule still meaningfully affects the CHC workforce, specifically many professions employed by CHCs.

### *Potential Short-Term Impacts:*

- Students looking to enroll in graduate degree programs that cost more than the new lower loan limits may choose another career field or choose to use private loans that may have higher interest rates, that increase students’ debt burden and limit their career choices.
- If more students take higher-interest private loans, CHCs may have difficulty retaining staff due to transitions into higher-paying fields to pay off loans, especially as service-based forgiveness programs that incentivize public sector employment would not be available.

### *Potential Long-Term Impacts:*

- Educational institutions may react to lower enrollment and loss of federal student loan dollars by lowering tuition costs or offering scholarships. This development may in turn make it easier for individuals to pursue careers in primary care.
- Alternatively, workforce shortages could be exacerbated further, particularly in areas with higher cost-of-living or rural communities, which may not be able to compete on salaries that staff demand to pay for their education.

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<sup>1</sup> [Student Loan Debt Statistics \[2026\]: Average + Total Debt](#)

<sup>2</sup> <https://joinhandshake.com/network-trends/gen-z-career-goals-ai-economy/>

## Key Provisions of Final Rule:

Theme	Details
<i>Grad Plus Program Elimination</i>	Eliminates <a href="#">the Grad Plus loan program</a> as of July 1, 2026. Grad Plus loans were uncapped loans offered by the Department that could be used for tuition, fees, books, and living expenses. They had higher fixed interest rates and were unsubsidized, meaning interest would accrue from the time of disbursement.
<i>Loan Limits for Graduate, Professional Students, and Parent Plus</i>	The final rule places new limits on federal loans: <ul style="list-style-type: none"> <li>• <b>Professional degree program limits:</b> \$50,000 a year, \$200,000 aggregate</li> <li>• <b>Graduate degree program limits:</b> \$20,500 a year, \$100,000 aggregate</li> <li>• <b>Parent Plus limits:</b> \$20,000 a year, an aggregate cap of \$65,000 per dependent</li> </ul>
<i>New Professional Definition for Federal Student Loan Limits</i>	Includes “pharmacy (Pharm.D.), dentistry (D.D.S. or D.M.D.), veterinary medicine (D.V.M.), chiropractic (D.C. or D.C.M.), law (L.L.B. or J.D.), medicine (M.D.), optometry (O.D.), osteopathic medicine (D.O.), podiatry (D.P.M., D.P., or Pod.D.), theology (M.Div., or M.H.L.), and clinical psychology (Psy.D. or Ph.D.)”; <b>*Does not include nursing, social work, physical therapy, and others*</b>
<i>Streamlining of Payment Plans</i>	Beginning July 1, 2026, there will be only two federal loan repayment plans: <ol style="list-style-type: none"> <li>1. <b>Tiered Standard Plan (default plan)</b> <ol style="list-style-type: none"> <li>a. Between 10- and 25-year repayment period based on income tier</li> <li>b. Minimum monthly payment of \$50</li> <li>c. Fixed monthly payment amounts</li> </ol> </li> <li>2. <b>Repayment Assistance Plan (RAP)</b> <ol style="list-style-type: none"> <li>a. Income-driven repayment plan based on wages and family size</li> <li>b. Waives unpaid interest for borrowers who make on-time payments</li> <li>c. Minimum monthly payment of \$10</li> <li>d. Forgives remaining balance after 30 years of repayment</li> <li>e. Qualifying plan for purposes of PSLF</li> </ol> </li> </ol> <p>Borrowers with existing loans before 2026 will maintain access to their legacy plans, including Income-Based Repayment (IBR), Income-Contingent Repayment (ICR) and Pay As You Earn (PAYE) at least until June 2028.<sup>3</sup> The Saving on A Valuable Education (SAVE)<sup>4</sup> plan is being eliminated this year, while the ICR and PAYE plans will be eliminated in future.</p>
<i>Part-Time Student Limits</i>	For part-time students, beginning July 1, 2026, institutions must use a reductions formula to reduce the federal annual student loan eligibility.

<sup>3</sup> <https://studentaid.gov/announcements-events/big-updates>

<sup>4</sup> <https://studentaid.gov/announcements-events/idr-court-actions>