

NAVIGATING THE ONE BIG BEAUTIFUL BILL ACT: Graduate and Professional School Responses to Federal Student Loan Changes

The American Council on Education (ACE)—in partnership with the Association of American Law Schools (AALS), the American Association of Colleges of Nursing (AACN), the Association of American Medical Colleges (AAMC), the Council of Graduate Schools (CGS), and the National Association of College and University Business Officers (NACUBO)—recently fielded a brief survey to understand how graduate and professional schools and programs are navigating changes to student loan limits resulting from implementation of the One Big Beautiful Bill Act (OBBA). The survey was focused on three specific changes under OBBA: 1) the elimination of Grad PLUS loans; 2) new borrowing limits for graduate and professional students; and 3) a revised definition of professional degrees.

More than 750 respondents* participated across the six organizations. Among respondents, a majority indicated they were at least somewhat (44 percent) or very (47 percent) familiar with recent changes to federal student loan programs for graduate and professional students under OBBA.

Early evidence from across the graduate and professional education administrators surveyed suggests that the sector is in a transitional “wait-and-see” phase as institutions, schools, and programs formulate strategic responses to OBBA. Nearly one-third of surveyed respondents (32 percent) shared their institutions are still determining how to adapt to the elimination of Grad PLUS and new federal borrowing caps, while widespread demand remains for peer benchmarking and clear regulatory definitions. Notably, survey results do not show a clear or direct correlation between new loan limits and shifts in application or enrollment volumes; a plurality of respondents (38 percent for applicants and 37 percent for acceptances) report that volume changes are not attributable to federal borrowing caps at the time of survey completion.

This aggregate stability may be influenced by the sample composition, where high labor-market demand and clear return on investment (ROI) may insulate health disciplines from immediate enrollment contraction. However, reported institutional resiliency may mask growing financial strain among students. Half (50 percent) of respondents report heightened student financial anxiety; 42 percent observed increased reliance on private alternative loans; and more than one-in-five reported student stop-outs or drop-outs. As temporary strategies such as grandfathered legacy cohorts and delayed billing cycles expire, institutional leaders and policymakers must closely monitor how borrowing constraints impact diverse disciplines, student debt burdens, and long-term access to graduate education.

** Respondents include several position types at institutions, schools, and programs, including associate/assistant dean, associate/assistant provost, associate/assistant vice president, chief of department, chief of staff, dean, executive director/director, president/CEO/rector/chancellor, provost/chief academic officer, vice president/vice chancellor, chief business officer/chief financial officer, budget director, financial aid officer, bursar/student accounts administrator, enrollment management administrator, faculty, and other self-specified roles.*

Of the 761 respondents, 64 percent were from AACN, 12 percent were from CGS, 10 percent were from AAMC, 6 percent were from AALS, 6 percent were from ACE, and 2 percent were from NACUBO.

Among respondents, sectors were derived based on self-reported control and level of institutions their schools or programs are affiliated with. Based on that, 43 percent serve at public four-year institutions; 31 percent serve at four-year private not-for-profit institutions; 22 percent serve at graduate-only institutions; 3 percent serve at for-profit institutions; and 2 percent serve at other institution types.

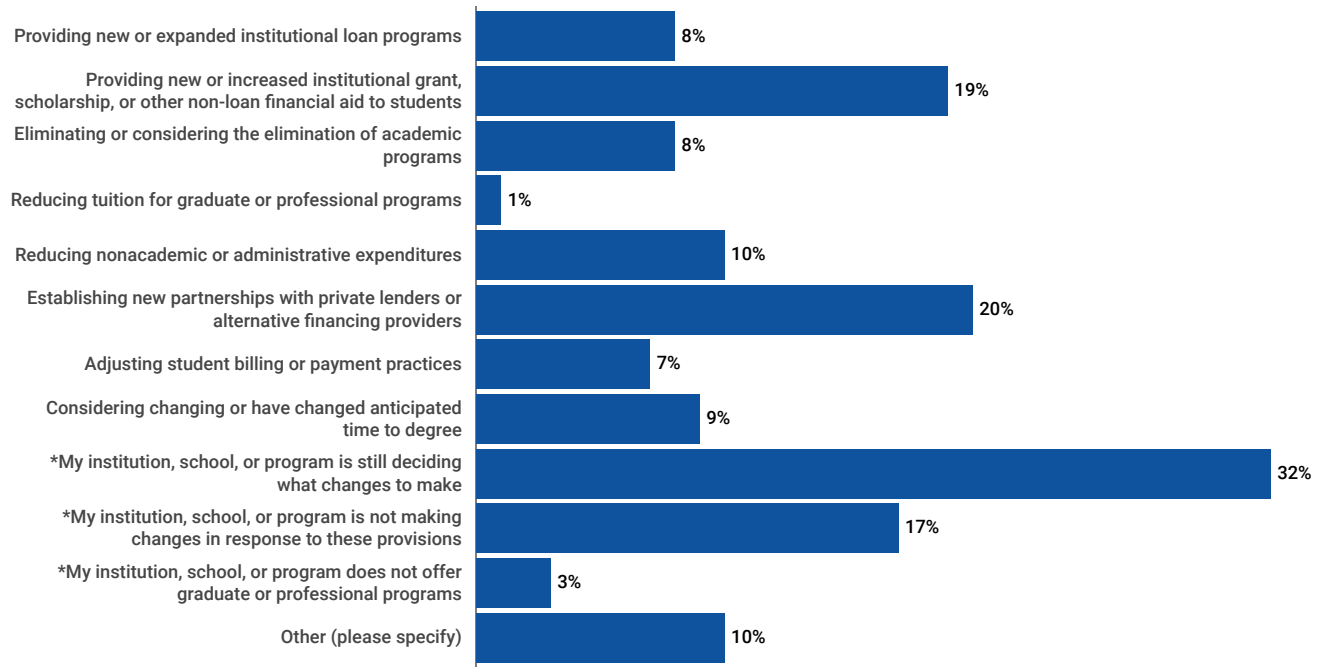
The survey was launched on August 17, 2026 and closed on August 31, 2026.

ACTIONS INSTITUTIONS ARE TAKING

Respondents were given a list of actions to choose from to indicate how their institutions, schools, or programs are responding to the new borrowing limits under OBBB (Figure 1).

The most frequently reported actions respondents indicated their institutions, schools, or programs are taking were establishing new partnerships with private lenders or alternative financing providers (20 percent) and providing new or increased institutional grant, scholarship, or other non-loan financial aid to students (19 percent). Of note, nearly one-third of respondents (32 percent) stated their institutions, schools, or programs were still deciding what changes to make, and an additional 17 percent shared they were not making changes in response to these provisions.

Figure 1. Institution, School, or Program Responses to Changes Under the One Big Beautiful Bill (OBBB) Act



**Exclusive option—could not select other options upon selection*

Establishing new partnerships with private lenders or alternative financing providers was more frequently reported by respondents at graduate-only (28 percent) and four-year private not-for-profit (24 percent) institutions, compared to those from four-year publics (12 percent). Respondents from graduate-only institutions reported new or increased institutional grant, scholarship, or other non-loan federal aid to students (26 percent) with greater frequency, compared to four-year private not-for-profit or public institutions (both 17 percent).

Reported institutional actions among respondents who selected “other” included the following:

- **Administrative Uncertainty & Information Gaps** – Most respondents who selected “other” reported being unaware of institutional responses, being new to their roles, or that institutional decisions were still being determined.
- **Student Communication & Financial Counseling** – Many indicated expanding financial literacy programming, debt counseling, information sessions, and proactive communication to help students understand policy changes and navigate new loan options.
- **Program Structure & Enrollment Flexibility** – Some reported freezing or canceling new graduate programs, offering part-time enrollment options, redefining full-time status, and adjusting program start dates to preserve legacy loan eligibility.
- **Cost Mitigation & Direct Student Aid** – A few respondents shared that their institutions, schools, or programs are implementing tuition freezes, income-based waivers, textbook cost elimination, and bridge scholarships to offset lost federal loan eligibility for affected students.

Among respondents who reported their institutions, schools, or programs were providing new or expanded institutional loan programs or providing new or increased institutional grants, scholarships, or other non-loan financial aid to students, 48 percent indicated these expanded financial aid efforts were funded through expanded donor participation in grants and scholarships, while 36 percent cited new or expanded partnerships with foundations or corporate funders. An additional 23 percent shared their institutions, schools, or programs were funding these efforts through new or expanded endowment draw or spend.

Other actions taken to provide new or expanded institutional loan programs, grants, scholarships, or non-loan financial aid included:

- **Institutional Scholarship Expansion & Strategic Fund Allocation** – Schools are expanding school-funded scholarships, tapping one-time scholarship reserve funds, and adjusting need-analysis formulas to direct existing aid where it is needed most.
- **Optimizing & Lowering Barriers to Internal Funds** – Institutions are increasing awareness of underutilized aid resources and easing qualification requirements to make existing internal funding pools easier for students to access.
- **External Grants & Professional Association Funding** – Schools are securing tuition-reducing grant funding and submitting scholarship proposals to professional organizations to subsidize student tuition costs.
- **Service-Commitment Programs & Graduate Assistantships** – Institutions are expanding graduate teaching and research assistant positions and establishing service-commitment programs that tie financial support to post-graduation service or employment.

For those who indicated their institutions, schools, or programs were establishing new partnerships with private lenders or alternative financing providers, 63 percent reported referring students to a preferred private lender list or marketplace—by far the most frequently selected option regarding the nature of these partnerships.

Other descriptions of these new partnerships included:

- **Preferred Private Lender Strategies & RFP Processes** – Institutions are formalizing private loan pathways for students by offering curated preferred lender options or initiating RFP processes while maintaining existing lender lists in the interim.

APPLICANT & ENROLLMENT CHANGES

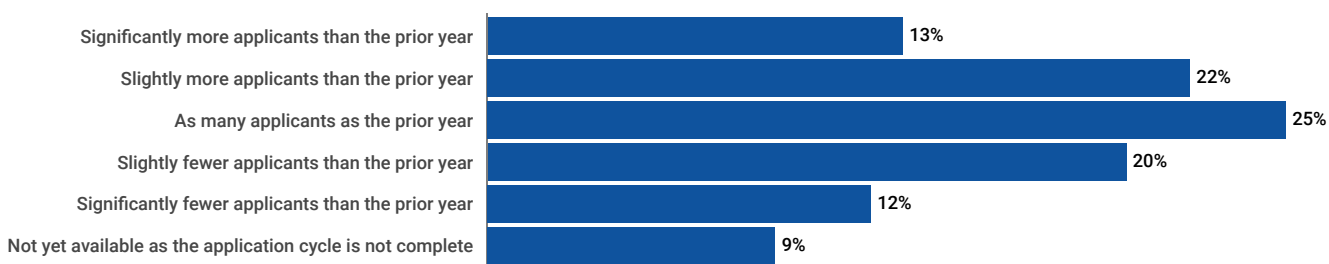
Respondents across the six organizations were asked about changes in program applicants and acceptances compared to the prior year (Figure 2).

When considering how many graduate or professional program applicant respondents' institutions, schools, or programs had compared this year to the prior year, one-fourth of respondents reported as many applicants as the prior year. Respondents were similarly likely to report slightly more (22 percent) or slightly fewer (20 percent) applicants than the year prior. They were also similarly likely to indicate significantly more (13 percent) or significantly fewer (12 percent) applicants than the prior year. An additional 9 percent could not yet report changes in applicant volume because their graduate and professional program application cycle was not yet complete.

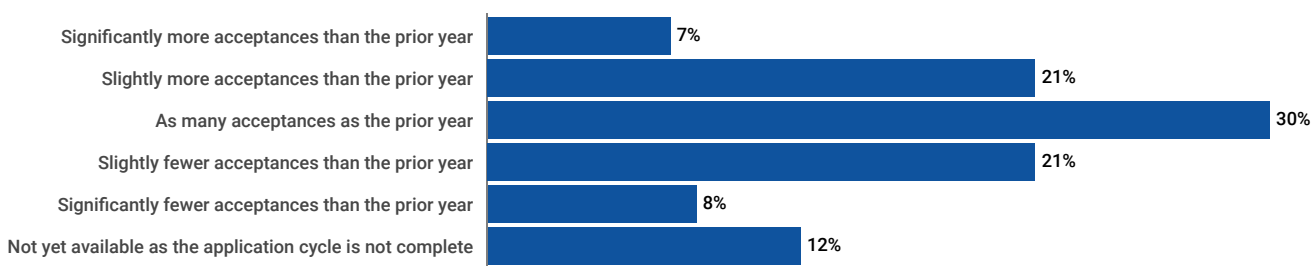
Respondents reporting any change in applicant volume from the prior year were asked to what extent they attribute this change to the new borrowing limits. Just 4 percent attributed changes in applicant volume entirely to the new borrowing limits. Other respondents reported changes as largely (14 percent) or somewhat (26 percent) attributable to the new borrowing limits. A plurality of respondents (38 percent) reported that changes in applicant volume were not attributable to new borrowing limits, while 17 percent were unsure.

Figure 2. Changes in Applicant Volume and Applicant Accepting Admission

Applicant Volume Compared to the Prior Year

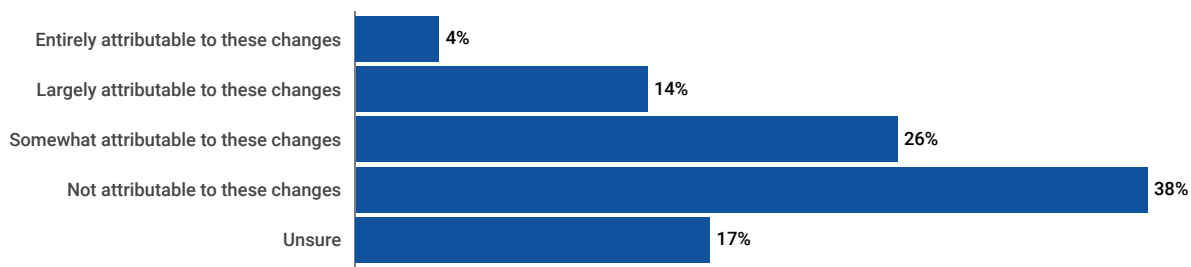


Applicants Accepting Admission Offers Compared to the Prior Year



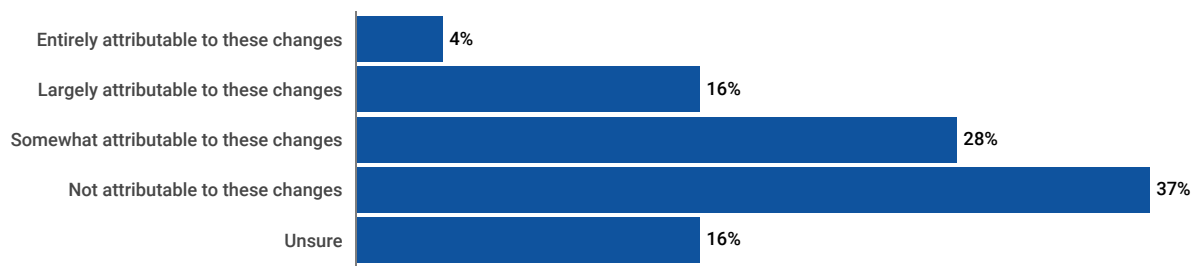
Among those reporting any change in applicants from the prior year:

To what extent do you attribute this change in applicant volume to the new borrowing limits?



Among those reporting any change in applicant acceptances from the prior year:

To what extent do you attribute this change in applicant-accepted offers of admissions to the new borrowing limits?



Note: may not add up to 100% due to rounding

By sector, respondents from four-year private not-for-profit (49 percent) and graduate-only (48 percent) institutions more frequently reported that these changes in applicant volume were attributable to any extent based on changes in loan limits, compared to four-year publics (37 percent).

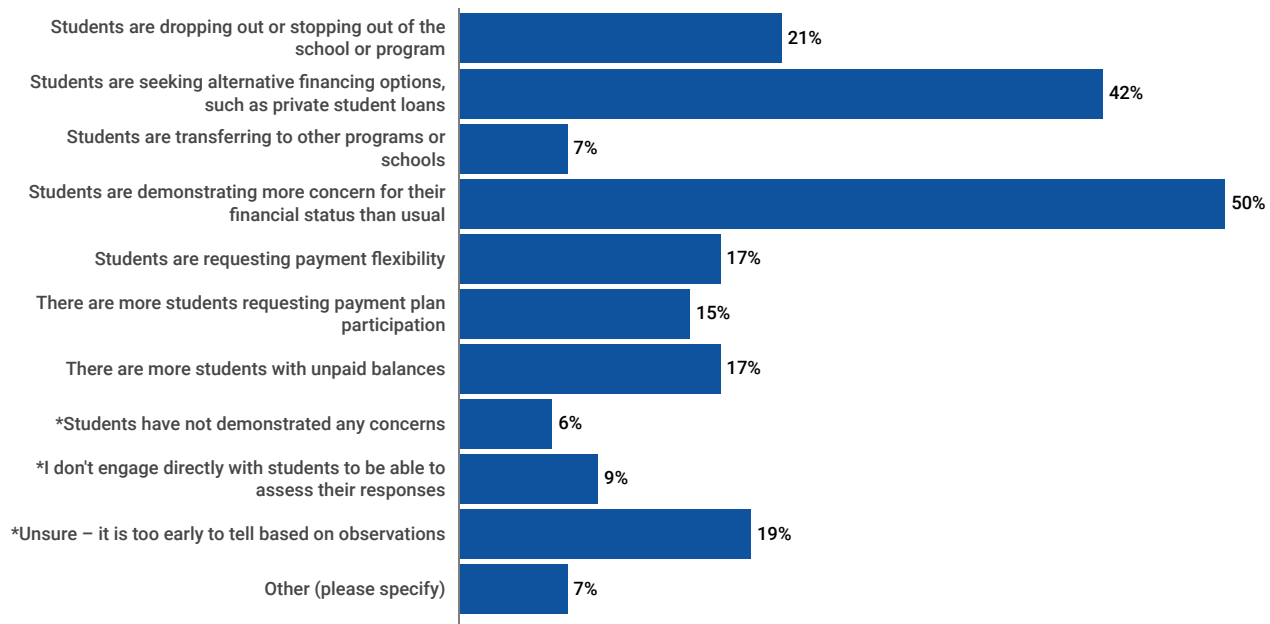
When considering how many graduate or professional program applicants accepted offers of admission at respondents' institutions, schools, or programs this year compared to the prior year, 30 percent of respondents reported as many acceptances as the prior year. Respondents were equally likely to report slightly more or slightly fewer acceptances (both 21 percent) than the year prior. They were also similarly likely to indicate significantly more (7 percent) or significantly fewer (8 percent) acceptances than the prior year. An additional 12 percent could not yet report changes in acceptance volume because their graduate and professional program application cycle was not yet complete.

Respondents reporting any change in accepted offers for admission from the prior year were asked to what extent they attribute this change to the new borrowing limits. Just 4 percent attributed changes in acceptance volume entirely to the new borrowing limits. Other respondents reported changes as largely (16 percent) or somewhat (28 percent) attributable to the new borrowing limits. A majority of respondents (37 percent) reported that changes in the volume of accepted offers for enrollment were not attributable to new borrowing limits, while 16 percent were unsure. By sector—and similar to applicant volume—respondents from four-year private not-for-profit (52 percent) and graduate-only (59 percent) institutions more frequently reported these changes in applicant volume were attributable to any extent based on changes in loan limits, compared to four-year public institutions (38 percent).

STUDENT RESPONSES

Given the new borrowing limits, respondents were asked how current students at their institutions, schools, or programs are responding to these changes, selecting all that apply from a list of options (Figure 3). Half of all respondents (50 percent) reported that students are demonstrating more concern for their financial status than usual, while 42 percent indicated students are seeking alternative financing options, such as private student loans. A little more than one-in-five respondents (21 percent) shared that students have dropped out or stopped out of their school or program, and others reported that students are requesting payment flexibility (17 percent) or that there are more students with unpaid balances (17 percent). Just 6 percent of respondents reported that students have not demonstrated any concerns. Just 6 percent of respondents reported that students have not demonstrated any concerns.

Figure 3. Current Student Responses to Loan Limit Changes



**Exclusive option—could not select other options upon selection*

By sector, respondents from graduate-only institutions more frequently reported that students were demonstrating more concern for their financial status than usual (59 percent), compared to four-year private not-for-profit (49 percent) or four-year public (46 percent) institutions. Respondents from graduate-only institutions also more frequently indicated students were requesting payment flexibility (21 percent), compared to four-year public or private not-for-profit institutions (both 16 percent). Students seeking alternative financing options, such as private loans, was also reported by more than half (52 percent) of respondents from graduate-only institutions. Students dropping or stopping out of schools and programs was most reported by respondents from four-year private not-for-profit institutions (27 percent), compared to graduate-only (22 percent) or four-year public (19 percent) institutions.

Other ways respondents observed current students responding to these changes included:

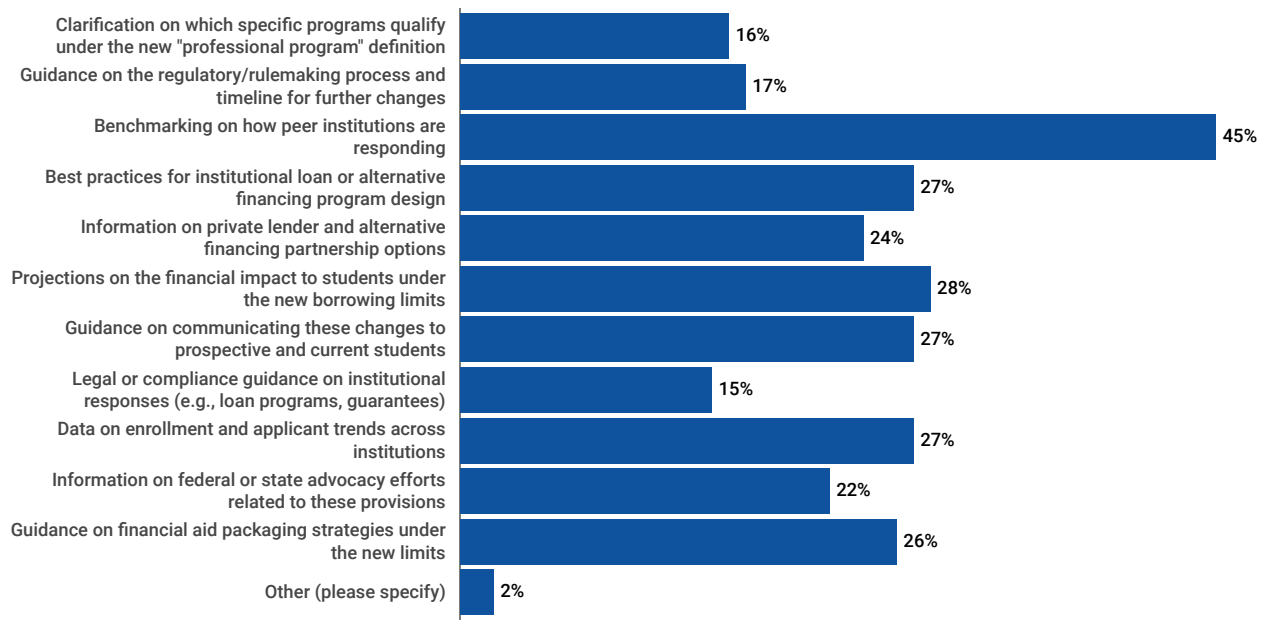
- **Student Academic, Enrollment, and Lifestyle Adaptations** – Respondents shared that students are responding to these changes by shifting from full-time to part-time study, pacing coursework around annual employer reimbursement limits, seeking full-time employment, living at home to cut living expenses, modifying dual-degree or leave-of-absence plans, and altering career trajectories due to the loss of Public Service Loan Forgiveness (PSLF) eligibility under private loans.
- **Divergent Programmatic and Enrollment Impacts** – While respondents indicated that clinical programs like nursing and direct-entry master's had increased applicant interest (alongside transfer gains from cost-prohibitive peer institutions and higher summer melt), non-clinical fields like public health saw steep enrollment drops, and PhD admissions were curtailed due to lost research funding.
- **Timing, Pending Billing Cycles, and “Too Soon to Tell”** – Some noted that it is too early to measure the full financial fallout because fall billing deadlines have not yet passed, though staff are seeing a sharp surge in advising appointments and anticipate higher rates of unpaid balances.
- **Grandfathering and Temporary Legacy Shields** – Several respondents reported their institutions delayed immediate financial impacts by qualifying large portions of their incoming cohort for Grad PLUS loans under existing legacy rules, effectively pushing the primary disruption to the next academic year.

INFORMATION NEEDS

Survey respondents were asked to select up to three information needs that would be most useful as their institutions, schools, or programs navigate changes to borrowing limits resulting from OBBB implementation (Figure 4).

The most frequently selected information need among respondents was benchmarking on how peer institutions are responding to these changes (45 percent), followed by projections on the financial impact on students under the new borrowing limits (28 percent). Best practices for institutional loan or alternative financing program design (27 percent), guidance on communicating these changes to current and prospective students (27 percent), and data on enrollment and applicant trends across institutions (27 percent) were selected with similar frequency. Additionally, respondents cited a need for guidance on financial aid packaging strategies under the new limits (26 percent) and information on private lender and alternative financing partnership options (24 percent).

Figure 4. Information Needs to Navigate OBBB Implementation



Other information needs indicated by respondents included:

- **Demand for Clear Regulatory Definitions** – Respondents urgently called for a finalized definition of what constitutes a “professional degree” to resolve paralyzing uncertainty for schools and students.
- **Need for Decisive Leadership and Communication** – Others urged leadership to finalize decisions and disseminate them clearly to end distress caused by administrative ambiguity and policy shifts.
- **Targeted Policy Advocacy and Lobbying** – Respondents also emphasized the need for legislative outreach and lobbying to fix unintended regulatory impacts that penalize specific student cohorts.
- **Comprehensive Student Borrowing Education** – There was also a call to expand foundational financial literacy so that students fully understand the implications and responsibilities of educational debt.