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FAQs on Graduate Loans

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Big changes are here for graduate lending, and students are navigating a changing loan environment. It can be hard to know where to find accurate information about what's happening and how it may affect students. Get the answers to frequently asked questions about these developments below.

What Happened to Grad PLUS?

Starting July 1, 2026, new graduate students won't be able to borrow for graduate school through the Grad PLUS program, as it was eliminated by recent federal legislation. Grad PLUS allowed graduate students to borrow up to the total cost of attendance for their programs—not only tuition and fees, but also anticipated living expenses, like housing, food, and transportation. Although only 16% of graduate students borrowed through Grad PLUS, those borrowers ultimately accounted for nearly half of the *entire* federal student loan portfolio. In some cases, students were borrowing well beyond what they could reasonably expect to pay based on their salary after graduate school.

Colleges and universities set the total cost of attendance up to which students could borrow, but there was little oversight to ensure their estimates lined up with students' expenses, and schools faced limited accountability if students borrowed beyond what their postgraduate earnings could sustain. The financial risks and consequences of overborrowing fell largely on the students themselves. In response to these concerns, Congress decided to phase out Grad PLUS.

Are Current Students Grandfathered Into the Grad PLUS Program?

If a student has been continuously enrolled in a graduate program and received a Grad PLUS loan prior to July 1, 2026, then generally, yes. They'll want to check with their financial aid office for details as each situation may differ. However, most students will be permitted to borrow through Grad PLUS for an additional three academic years or for the remainder of their current graduate program—whichever is shorter. If they change programs, they will be ineligible. And, if they are a new graduate borrower, they are not eligible for a Grad PLUS loan at all.

What Are the New Loan Limits for Grad Students?

Those pursuing a professional degree—in fields like medicine, law, dentistry, and veterinary medicine—can now borrow up to $50,000 per year and $200,000 in total in federal student loans for their program. Those enrolled in all other programs can take out up to $20,500 per year and $100,000 in total. There's been a lot in the headlines lately around graduate and professional programs and the updated loan limits. For most graduate students, the cost of their program will likely fall within the new loan limits—and several programs across the country have already lowered tuition or committed to increasing financial aid. Students can find the most updated list of professional programs that qualify for the higher loan limits here.

What Is the Difference Between Graduate and Professional Degrees?

All professional degrees are graduate degrees, but not all graduate degrees are professional degrees. “Graduate program” is the broad term for any course of study beyond a bachelor’s degree and can encompass post-baccalaureate certificates, master’s degrees, and doctorates. Under the graduate school umbrella, professional degrees are practitioner-focused and designed to prepare students to enter a licensed profession. Professional programs that train medical doctors, dentists, and lawyers, for example, feature standardized curricula that emphasize applied skills and ethics and often require in-field practice via internships or clinical placements. In contrast, a traditional PhD, while also a graduate degree, tends to focus on producing original theory and research, not on direct practice in a specific licensed profession. The distinction is not a value judgment on the importance of a field, but rather a classification based on a program’s structure and purpose.

The spotlight on this distinction is due to federal policy changes that took effect in July 2026 and tie student loan borrowing limits to this classification. The Department of Education’s initial list of professional fields introduced new debates over how to finance graduate school and make sure advanced degrees are open to students of all backgrounds.

What Do Recent Lawsuits Mean for Students?

There are a handful of lawsuits pending, but one—a case brought by a coalition of health care-related professional associations—has been in the news lately, because the judge paused the Department of Education's list of graduate and professional degrees. In response, the Department issued a new, slightly expanded list. Yet as the lawsuit plays out, we may not have a final answer on a clear definition of which programs qualify for the different borrowing levels for several months. For borrowers, particularly in programs that are lobbying to be eligible for higher loan limits, there may be uncertainty about how much they're able to borrow right now.

What Financing Options Do Students Have Now?

Students are still able to borrow through the federal loan program—they can take out unsubsidized Direct Loans up to the new limits set for their program. Beyond federal loans, many states are considering—or have already established—state-based loan programs for students pursuing graduate-level degrees. The specifics vary, but for some students, these state loan programs may be a great option depending on their unique circumstances. For programs like law, medicine, or dentistry that have a higher upfront cost but a generally higher expected return on investment, students may consider taking out a smaller private student loan to help bridge the gap between federal loans, scholarships, and other financial aid. If that's an option under consideration, students can check in with their school's financial aid office as a resource and ask them to explain their preferred lender list. Students should also ensure that they fully understand the terms, conditions, and repayment schedule for any loan product.

Resources

- How We Got Here: The Rise and Fall of the Grad PLUS Loan Program
- Q&A: Why the Difference Between Graduate and Professional Degrees Suddenly Matters
- State Loans Could Help Fill the Graduate School Affordability Gap
- What's Next for the Graduate vs. Professional Loan Fight
- Q&A: Graduate Education Finance
- Update to List of Professional Degree Programs Due to Court Order
- *One Big Beautiful Bill Act* – Important Definitions