

## Federal Loan Changes – Resource Guide

Effective July 1, 2026, the federal landscape for student aid is changing due to the One Big Beautiful Bill Act and the U.S. Department of Education’s new [Reimagining and Improving Student Education regulations](#). Learn more about the changes here: [studentaid.gov/announcements-events/big-updates](https://studentaid.gov/announcements-events/big-updates).

*This guide is intended to provide dental and allied health students and their families with an overview of some of the many changes affecting federal student loans. This information is not comprehensive and is not intended to serve as legal advice. Borrowers should consult with their financial aid offices or other appropriate advisors before making borrowing decisions. Individual borrowers’ situations may vary based on the details of their circumstances.*

### Major Borrowing Changes

Starting July 1, there will be different loan limits depending on whether a borrower is a graduate or professional student. Importantly, some borrowers may qualify for an interim exception, which temporarily exempts them from the new loan limits. In addition, there are several changes not covered in this guide, such as limits on Parent PLUS borrowing (unless an interim exception applies) and proration of loan limits for less than full-time enrollment. For more information, visit [studentaid.gov/announcements-events/big-updates](https://studentaid.gov/announcements-events/big-updates).<sup>1</sup>

### Graduate Students – Definition and Loan Limits as of July 1, 2026

Under the new rules, a graduate student is a student enrolled in a program of study that is above the baccalaureate level and awards a graduate credential (other than a professional degree) upon completion of the program. This would include a number of allied health programs.

- *Annual loan limit:* \$20,500 (direct unsubsidized)

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<sup>1</sup> For example, major repayment plan changes are also taking effect. Those changes are not covered in this guide, but more information is available from the Department of Education.

- *Aggregate loan limit:* \$100,000 (includes all direct subsidized and unsubsidized loans for graduate study; for borrowers who have never been professional students)<sup>2</sup>
- *Lifetime maximum aggregate loan limit:* \$257,500 (including undergraduate and graduate/professional borrowing; not including Parent PLUS)

### **Professional Students – Definition and Loan Limits as of July 1, 2026**

Under the new rules, a professional student is a student enrolled in a program of study that awards a professional degree upon completion of the program, which would include dental school students. Please see the full [definition of professional student](#), which includes a statement that a professional degree may be awarded in the following fields:

Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (DC or DCM.), 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.).<sup>3</sup>

- *Annual loan limit:* \$50,000 (direct unsubsidized)
- *Aggregate loan limit:* \$200,000 (includes all direct subsidized and unsubsidized loans for graduate and/or professional study; would be reduced by any amount previously received as a graduate student)
- *Lifetime maximum aggregate loan limit:* \$257,500 (including undergraduate and graduate/professional borrowing; not including Parent PLUS)

### **Graduate and Professional Students**

#### **Graduate PLUS Eliminated**

The Graduate PLUS (Direct PLUS for graduate students) loan program will no longer be available for new borrowing after July 1, 2026, except for borrowers who qualify for an interim exception. Previously, Graduate PLUS loans allowed borrowing up to the full cost of attendance (minus other financial aid, including direct unsubsidized loans). More information is available here: [studentaid.gov/understand-aid/types/loans/plus/grad](https://studentaid.gov/understand-aid/types/loans/plus/grad)

#### **The Interim Exception**

The interim exception exempts some borrowers from certain changes, such as the above-mentioned new loan limits and elimination of Graduate PLUS loans, for a period

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<sup>2</sup> A graduate student who was previously a professional student has an aggregate loan limit of up to \$200,000 minus what they received for their professional program, including all direct subsidized and unsubsidized loans made for graduate or professional study.

<sup>3</sup> As of the date of this guide, there is litigation concerning this definition, which may affect final determinations.

of time. Borrowers may qualify for the interim exception (meaning they can borrow Grad PLUS and access the current loan limits) if they:

- Were enrolled in a program of study at a school as of June 30, 2026; and
- Received a Direct Loan of any kind for that program of study before July 1, 2026; and
- Remain continuously enrolled in that program at that school.<sup>4</sup>

If a student qualifies for the interim exception, the student will be exempt from certain loan limits and loan eligibility changes for the lesser of:

- Three academic years or
- The difference between the published length of the program of study the student is enrolled in and the period of time they have completed in that program.

More information about the interim exception is available here:

[studentaid.gov/announcements-events/big-updates/definitions](https://studentaid.gov/announcements-events/big-updates/definitions)

More information about the loan limits is available here:

[fsapartners.ed.gov/sites/default/files/2026-05/FrequentlyAskedQuestionsLoanLimits.pdf](https://fsapartners.ed.gov/sites/default/files/2026-05/FrequentlyAskedQuestionsLoanLimits.pdf)

## Additional Student Loan Information

[ADEA Loan Programs Page](#)

Key information about state and federal loan programs

[ADA Student Loan Page](#)

Resources and advocacy

[ASDA Guidance](#)

Resources for dental students

[Dept. of Education Updates](#)

Up-to-date student loan information

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<sup>4</sup> Please note that an approved leave of absence is not considered a break in enrollment for this purpose. The Department's materials provide more details on the specifics of what constitutes an approved leave of absence and how different situations affect interim exception eligibility.