

Summary of Select Student Financial Aid House and Senate Reconciliation Provisions of Interest to Academic Medicine June 16, 2025

Provision	Current Law	House One Big Beautiful Bill Act (H.R. 1)	Senate Draft HELP Committee Text	Notes
Grad PLUS	Graduate/professional students can borrow Grad PLUS up to program cost of attendance.	<ul style="list-style-type: none"> - Would terminate the Grad PLUS program effective July 1, 2026, and would prohibit any new Grad PLUS loans during the 2026-27 school year. - Grandfathers in PLUS borrowers. - Grandfathers in PLUS borrowers until the completion of the program or three academic years, whichever is the lesser. 	Same as House bill.	
Annual Unsubsidized Loan Limits	<ul style="list-style-type: none"> - Graduate and professional students have \$20,500 annual loans limits. - Exception for health professions allows annual borrowing of up to \$40,500. 	Annual Unsubsidized caps cannot exceed the median cost of college in the program of study in which the student is enrolled.	<ul style="list-style-type: none"> - \$20,500 Unsubsidized lending caps for graduate students annually. - \$50,000 Unsubsidized lending caps for professional students annually. 	Median cost of attendance (COA) for all medical schools for the 2024-2025 school year is roughly \$83,800. ⁱ Medical students typically use Grad Plus to cover the gap between lending limits and COA.
Aggregate Unsubsidized Loan Limits	<ul style="list-style-type: none"> - Graduate/ professional students have a \$138,500 aggregate Unsubsidized loan limit. - Exception for health professions allows for up to \$224,000 in aggregate. 	<ul style="list-style-type: none"> - Aggregate loan limits for graduate students at \$100,000 and for medical school and other professional students at \$150,000. <ul style="list-style-type: none"> - Lifetime cap of \$200,00 	<ul style="list-style-type: none"> - \$100,000 aggregate Unsubsidized lending caps for graduate students. - \$200,000 aggregate Unsubsidized lending caps for professional students. <ul style="list-style-type: none"> - Lifetime cap of \$257,000. 	

Summary of Select Student Financial Aid House and Senate Reconciliation Provisions of Interest to Academic Medicine June 13, 2025

Provision	Current Law	House One Big Beautiful Bill Act (H.R. 1)	Senate Draft HELP Committee Text	Notes
Public Service Loan Forgiveness (PSLF) for Physician Residents	Loan payments that physician residents and those in medical internships make during required residency training are eligible to count toward the 10-year PSLF commitment.	New borrowers on or after July 1, 2025, who are serving in a medical or dental residency, would not be able to count payments made during their time in internship or residency toward public service loan forgiveness.	Same as House bill; however, excludes medical and dentistry deferment.	
Income-Based Repayment Plans	<p>Existing repayment plans include:</p> <p><i>Standard Repayment Plan:</i> Fixed payments over 10–25 years.</p> <p><i>Income-Based Repayment (IBR):</i> 10% or 15% of discretionary income (based on loan date). Never exceeds 10-year Standard Plan amount.</p> <p><i>Income-Contingent Repayment (ICR):</i> 20% of discretionary income, or Fixed 12-year plan amount, adjusted for income.</p> <p><i>Pay As You Earn (PAYE):</i> 10% of discretionary income. Also capped at 10-year Standard Plan amount.</p>	<p>Would streamline existing repayment plans down to two options beginning July 1, 2026:</p> <p><i>Standard Repayment Plan</i></p> <ul style="list-style-type: none"> - 10-25 year, fixed repayment. Length of repayment based on outstanding principal balance. <p><i>New Income-Based Repayment Assistance Plan (RAP)</i></p> <ul style="list-style-type: none"> - \$10 minimum monthly payment. - Forgiveness after 30 years. (360 qualifying payments) - No interest accumulation on unpaid amounts. - If payment doesn't reduce principal, \$50/month reduction in balance. 	<p>Same as House bill. Adds provision to allow existing borrowers, who are enrolled in eliminated repayment programs, to transition to a version of the existing income-based repayment (IBR) with the option to transition to the RAP after it is created.</p> <ul style="list-style-type: none"> - Under this IBR plan, pre-2014 borrowers would pay 15% of discretionary income monthly with forgiveness after 25 years. - Post-2014 borrowers would pay 10% of their discretionary income monthly with forgiveness after 20 years. 	A fifth existing repayment plan in current law, the SAVE plan, is not currently in effect (it has been blocked by a court injunction).

Summary of Select Student Financial Aid House and Senate Reconciliation Provisions of Interest to Academic Medicine June 13, 2025

Provision	Current Law	House One Big Beautiful Bill Act (H.R. 1)	Senate Draft HELP Committee Text	Notes
Risk-Sharing Agreement for Institutions of Higher Education	No current law.	<ul style="list-style-type: none"> - Would develop a formula requiring institutions to repay a portion of their graduates' unpaid federal student loans to the government. - Would create performance-based PROMISE Grants to reward colleges for strong earnings outcomes, low tuition, and enrolling and graduating low-income students. 	<ul style="list-style-type: none"> - Would limit Title IV eligibility for programs at higher education institutions (IHEs) whose graduates do not meet certain earnings criteria. - "Two-strike" rule: <ul style="list-style-type: none"> o IHEs evaluated every 3 years. o Programs would lose Title IV eligibility if graduates earn less than the comparison group for 2 of 3 years. o Earnings for graduates of Graduate/Professional would be compared to median bachelor degree earnings (according to state data): <ul style="list-style-type: none"> ▪ Programs ≤3 years would have earnings of graduates (6 years post-grad) compared to median bachelor degree earnings. ▪ Programs >3 years would have earnings of graduates (10 years post-grad) compared to median bachelor degree earnings. 	

Summary of Select Student Financial Aid House and Senate Reconciliation Provisions of Interest to Academic Medicine June 13, 2025

Provision	Current Law	House One Big Beautiful Bill Act (H.R. 1)	Senate Draft HELP Committee Text	Notes
Deferment, Forbearance, and Loan Rehabilitation	<ul style="list-style-type: none"> - Allows loan rehabilitation for borrowers to exit default by making a set number of consecutive, on-time payments. - Borrowers in default have the opportunity to rehabilitate loans once. - If rehabilitating loans, minimum monthly payment is \$5. 	<ul style="list-style-type: none"> - Would eliminate forbearance options for economic hardship and unemployment. - Would allow borrowers to rehabilitate defaulted loans twice. - Would increase minimum monthly payment for rehabilitated loans from \$5 to \$10. - Would amend the terms of medical and dental residency deferments for loans disbursed on or after July 1, 2025, to allow for zero interest accrual for up to four years. 	Same as House bill.	
Support for Loan Servicing		Would provide up to \$500 million in mandatory funds to improve loan servicing.	Would provide up to \$1 billion in mandatory funds to improve loan servicing.	
Regulatory Reform	Several borrower protection regulations are set in place by the Department of Education: the 90/10 rule , gainful employment , borrower defense , and closed school discharge regulations.	<ul style="list-style-type: none"> - Would repeal 90/10, gainful employment, borrower defense, and closed school discharge regulations. - Would prohibit the Secretary of Education from implementing new regulations regarding student aid unless they are authorized by Congress, do not result in increased subsidy costs, and do not have cost of > \$100 million. 	<ul style="list-style-type: none"> - Would repeal borrower defense and closed school discharge regulations. - Would restrict the Secretary of Education from issuing regulations or executive actions related to financial aid that increase federal costs. 	

Summary of Select Student Financial Aid House and Senate Reconciliation Provisions of Interest to Academic Medicine June 13, 2025

Provision	Current Law	House One Big Beautiful Bill Act (H.R. 1)	Senate Draft HELP Committee Text	Notes
Additional Restrictions on Student Aid	N/A	<ul style="list-style-type: none"> - Would limit the eligibility of non-citizens to access federal student aid. - Would remove farm and small business assets from federal aid eligibility calculations. 	<ul style="list-style-type: none"> - Would exclude certain non-citizens from federal aid eligibility. - Would remove farm and small business assets from federal aid calculations. - Would reduce loan limits for part-time students. - Would allow institutions to lower annual loan limits below the caps provided in this bill, if they choose to. 	

ⁱ AAMC Tuition and Student Fees Questionnaire, 2019-2020 through 2024-2025