

New Federal Student Loan Provisions from the One Big Beautiful Bill Act (OBBBA)

The One Big Beautiful Bill Act (H.R.1) will have new implications on federal student loan assistance, including loan assistance for professional programs like podiatric medical school. Below is an overview of the main student loan provisions implemented by the legislation.

1. How much can a podiatric medical student borrow under the new federal loan borrowing cap and when does it go into effect?

Effective July 1, 2026, the annual cap on borrowing for professional students is \$50,000. The total limit for professional loans is \$200,000. The lifetime federal loan cap is \$257,500.

2. What's the difference between undergraduate, graduate, and professional students?

Undergraduate students are working toward a bachelor's degree (like a BA or BS).

Graduate students have already earned a bachelor's degree and are now pursuing an advanced degree, for example a master's or Ph.D.

Professional students are also graduate level students but are specifically enrolled in programs that lead to a licensed profession, such as podiatry, medicine, law, or dentistry.

3. Does the \$257,500 lifetime cap include undergraduate loans too?

Yes. The \$257,500 lifetime federal loan cap includes all federal student loan borrowing, which includes undergraduate, graduate, and professional debt.

4. I've already borrowed federal loans for my DPM degree. How do these caps impact me?

If you borrowed before July 1, 2026, you can continue to borrow under the existing loan limits for an additional 3 years or until your expected degree completion date, whichever comes first. The new caps apply to only new borrowers after July 1, 2026.

However, existing borrowers with current federal loans will need to switch to the new repayment plans that were created by Congress.

5. What happens to the Grad PLUS Loan program under these changes?

The Grad PLUS loan program will be eliminated for new borrowers starting July 1, 2026.

6. I already have a Grad PLUS loan for my podiatric degree. Am I affected by its elimination?

If you received a Grad PLUS loan before July 1, 2026, you will:

- Retain eligibility under existing terms.
- Be allowed to continue borrowing Grad PLUS loans for up to 3 additional years or under your expected degree completion date, whichever comes first.

7. I plan to participate in the Public Service Loan Forgiveness (PSLF) Program. How is it affected?

- The time in podiatric residency continues to count toward PSLF eligibility. Earlier versions of the bill tried to exclude time worked in residency, but this provision was not included in the final bill, which is a major advocacy win by APMSA and APMA.
- Beginning July 1, 2026, the Grad PLUS Loan program will be eliminated for new borrowers. Students may need to rely on private loans, which are not eligible for PSLF.
- The Department of Education (ED) developed regulations that impact eligible employers who qualify under PSLF. These new regulations reflect an [Executive Order](#) from President Trump in March 2025. ED released a final rule in [October 2025](#) and under this, employees of newly disqualified employers could lose PSLF eligibility and would need to change jobs to remain eligible. However, it is unlikely that the rule will impact podiatric physicians or residents eligible for PSLF.

8. What repayment plans will be available after graduation?

New borrowers after July 1, 2026 will only have two repayment plans available:

- Standard repayment plan with fixed monthly payments over 10-25 years based on how much you borrowed.
- The new Repayment Assistance Plan (RAP), which is an income-based plan with monthly payments tied to your income and family size.

If you are a current borrower, with no new loans after July 1, 2026, you can remain on the current Standard, current Income Based, Graduated, and Extended repayment plans, or switch to RAP.

9. What can I do to impact current or future loan options for students?

You can meet with your members of Congress to advocate for the repeal of these harmful new student loan changes. It is important to show lawmakers how the current provisions of the OBBBA are harming podiatric medical students.

APMA has [various campaigns](#) you can participate in to make your voice heard in Washington!

You can also reach out to the APMA Advocacy team for more information at advocacy@apma.org.