

Important Update on Borrowing for Medical School

Legislation passed in July 2025 (H.R.1, OBBBA) includes significant changes in both the borrowing and repayment of federal student loans, changes that are certain to impact medical students, especially those in the incoming Class of 2030. Below, we focus on two changes likely to impact your borrowing for medical school starting July 1, 2026.

Elimination of Grad PLUS (Direct PLUS)

Currently, there are two federal Direct Loans many medical students use to pay for medical school: Direct Unsubsidized and Grad PLUS. With these two federal loans, current medical students can borrow up to the full cost of attendance (their financial aid budget) when needed and with the approval of financial aid. However, GRAD PLUS is being eliminated effective July 1, 2026, for first time GRAD PLUS borrowers, as explained below:

- Please note that having Direct Loans from a premed graduate program (for example, a Masters in Biomedical Sciences) does not qualify a borrower starting medical school on or after July 1, 2026, to be able to borrow Grad PLUS for medical school. In other words, you must already be borrowing Direct Loans for medical school as of July 1, 2026, for your current degree program to borrow from the Grad PLUS program in the future.
- Students with an outstanding Direct Loan as of July 1, 2026, for their current degree program may borrow Grad PLUS in subsequent years until July 1, 2029, which is why many returning medical students will still have access to Grad PLUS if needed.
- No Grad PLUS loans will be disbursed as of July 1, 2029.

New Borrowing Limits on Federal Loans

H.R.1 also sets new limits on how much students can borrow not only each year, but for their degree program as well, as explained below. These new limits apply to first-time borrowers for their current degree programs, which is why we anticipate these new loan limits impacting the Class of 2030.

- \$50,000 annual limit for professional students (for example, dental and medical), with the \$50,000 coming in the Direct Unsubsidized Loan program
- \$200,000 aggregate limit for professional students, less any amount borrowed for a graduate program
- \$257,500 lifetime limit for professional students, inclusive of any undergraduate federal borrowing

Potential Impact on Borrowing for Medical School

With these two significant changes, we anticipate many medical students, especially those in the incoming Class of 2030, will need to borrow private loans to help make up any shortfall between their cost of attendance (financial aid budget) and any other financial aid they are receiving such as grants, scholarships, and the reduced amount of federal student loan eligibility. Please read our documents on private loans carefully and contact the Financial Aid Office should you have any questions.

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