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Congressional Republicans Want to End Grad PLUS Loans. How Might It Affect Your Campus?

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Tyler Comrie for The Chronicle

Congressional Republicans appear set to effectively shut down the 20-year-old Grad PLUS federal student-loan program as House and Senate lawmakers seek passage of a sprawling set of budget cuts, tax adjustments, and policy changes — bundled together and branded by President Trump as the “One Big Beautiful Bill.”

Legislation forwarded to the Senate by House Republicans, and largely affirmed by the Senate Health, Education, Labor, and Pensions Committee’s proposed reconciliation language, would see the Grad PLUS loan program, which had been expected to lend out roughly $19 billion annually between 2026-34, phased out for new borrowers starting in the 2026-27 academic year. The program would eventually be mothballed for all borrowers starting in the 2029-30 academic year.

But without access to Grad PLUS financing, said Suzanne Ortega, president of the Council of Graduate Schools, graduate-level education will either become unattainable for some students or “force them into high-cost private debt, exacerbating the student-debt crisis and existing work-force shortages in critical fields like teaching, law enforcement, public-health professions, and engineers.”

“Increasingly, graduate degrees are required to enter or advance in a profession. In fact, entry-level jobs requiring master’s degrees are expected to grow by 17 percent through 2026, the fastest of any education level, according to the Bureau of Labor Statistics,” Ortega wrote in a statement to *The Chronicle*.

But some conservative lawmakers argue that Grad PLUS, and uncapped financial-aid programs like it, reduce the pressure on universities to keep down tuition costs for graduate education. Other researchers and policy analysts question whether the academic programs financed in part by Grad PLUS loans “are worth the federal aid dollars they’re receiving, and if they are being created to chase those federal dollars.”

The fallout of these proposed changes could run the gamut. The institutions that rely most heavily on the Grad PLUS program, in terms of share of revenue, are single-focus free-standing law schools and training programs for health professionals, according to an analysis by *The Chronicle*. But four-year institutions with more diversified graduate-level offerings could also see financial upheaval, depending on the fields of study. For example, graduate-level teacher-preparation and M.B.A. programs, while not as heavily populated by Grad PLUS borrowers as law or medical schools, still rely considerably on the federal loan program, according to *The Chronicle*'s analysis.

A relatively small number of institutions tend to enroll a disproportionate share of students who take out Grad PLUS loans: 10 institutions accounted for just over 15 percent of the $13.2 billion in disbursements of these loans during the 2022-23 academic year. Specifically, $2.1 billion in Grad PLUS loans were collectively borrowed by 45,800 graduate students attending one of 10 universities in the United States, including the University of Southern California, Columbia and Georgetown Universities, as well as Nova Southeastern University, in Florida, and Midwestern University, in Illinois.

The House bill would also set limits on unsubsidized federal student-loan debt for graduate education: On an annual basis, graduate students would only be able to take out loans for up to the median annual cost of their program; and in the aggregate, unsubsidized federal lending to most graduate students would max out at either $100,000, or $150,000 for those enrolled in graduate professional programs. Together, these two proposed changes are forecasted to reduce government spending across the next decade by $34.7 billion, according to an analysis from the Congressional Budget Office.