



Proposed Changes To Student Loan Programs Raise Concerns About Equity

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Dear Agency or Agency Secretary,

I submit this public comment on the proposed regulatory changes implementing the One Big Beautiful Bill Act (OBBA) amendments to Title IV federal student loan programs. While the goal of simplifying repayment and promoting responsible borrowing is commendable, several provisions raise substantial concerns about equity, access to graduate education, borrower protections, and workforce development.

The proposed elimination and restrictions on the Graduate PLUS Loan Program threaten access to graduate and professional education. Graduate PLUS loans have long filled financial gaps, especially for first-generation, low-income, and underrepresented students. Rather than eliminating the program, I recommend targeted annual and lifetime loan caps aligned with program costs. The Department should require institutions to justify borrowing restrictions to an independent federal body and enforce enhanced borrower counseling focused on graduate loans, including annual disclosures of private alternatives and repayment projections. These measures would promote responsible lending and oversight while maintaining access to advanced degrees.

Federal lending programs expand educational attainment for those lacking intergenerational wealth (Baum, Ma, & Payea, 2023). Restricting federal borrowing may force students into private loans, which lack income-driven repayment, deferment, and forgiveness protections (CFPB, 2023). Thus, the proposed rule may increase financial risk rather than reduce it.

Imposing aggregate loan limits and allowing institutions to restrict borrowing by program may create financing gaps. Borrowers using private loans face higher delinquency and fewer safety nets than federal borrowers (CFPB, 2023). The shift to private credit could disproportionately affect those pursuing MSN/DNP for nursing, MPH for public health, and MSW/DSW for social work, even law, and other essential professions, potentially worsening workforce shortages in crucial sectors.

Sunsetting Income-Contingent Repayment (ICR) in favor of fewer plans may help some, but research shows repayment flexibility is critical for those with irregular incomes or career transitions (Dynarski, 2014). Fewer options may reduce the system's responsiveness, especially for borrowers in public service or the gig economy.

Restricting graduate borrowing can have broader economic consequences. Advanced degrees are essential pipelines for sectors like healthcare, education, mental health, and public administration. Limiting financing may reduce entry into these professions, worsening shortages in underserved areas.

Granting institutions authority to limit borrowing by program could create inconsistent access and exacerbate inequities, especially for students in fields with high social value but lower earnings (U.S. Government Accountability Office, 2022). To address this, the Department should require annual public reporting on borrowing limits and demographic impact and empower an independent federal body to monitor and require corrective action if inequitable patterns emerge. This oversight will help ensure fairness and transparency.

Taking together, these changes risk shifting federal student aid away from its historic role as an equalizer of opportunity (Goldrick-Rab, 2016). Limiting federal loans may reinforce socioeconomic stratification, making advanced education accessible mainly to those with independent resources.

While the proposal aims to simplify repayment and promote fiscal responsibility, eliminating Graduate PLUS loans, reducing repayment flexibility, and imposing stricter borrowing limits may undermine equitable access and weaken workforce development. I urge the Department to reconsider these changes, conduct equity impact analyses, and maintain robust federal lending pathways to keep graduate education accessible to all.