Q&A'S ABOUT HIGHER EDUCATION IN THE ONE BIG BEAUTIFUL BILL

The One Big Beautiful Bill Act's higher education provisions are summarized in the HELP Committee's one-pager and section-by-section. This document contains answers to frequently asked questions about these provisions.

PELL GRANTS

Q: What is Workforce Pell?

Starting July 1, 2026, a new Workforce Pell Grant becomes available for students enrolled in short-term, accredited programs lasting 8–15 weeks (or 150–600 instructional hours).

Q: Who qualifies for Workforce Pell?

To receive a Workforce Pell Grant, a student must:

- Meet normal Pell eligibility (e.g., financial need, undergrad level)
- Be enrolled in an eligible workforce program—short-term, non-degree, accredited
- Not simultaneously receive a traditional Pell Grant or a TEACH Grant

Q: Will Workforce Pell count towards my lifetime Pell limit?

Yes. Any period funded by a Workforce Pell Grant counts toward the standard 12-semester (600 credit-hour) lifetime Pell eligibility limit.

Q: Can Workforce Pell be used at unaccredited institutions?

No. Workforce Pell can only be used at accredited institutions of higher education, consistent with the traditional Pell Grant.

Q: Does the OBBBA change Pell Grants for part-time students?

No. The final version of the OBBBA did not make any changes to Pell Grants based on enrollment intensity.

STUDENT LOAN LIMITS

Q: I am currently a graduate student. Will the new loan limits affect me?

Current students (those who have borrowed before July 1, 2026) can borrow up to the current (pre-OBBBA) limits for the remainder of their program length (up to a maximum of three years).

Q: Did the OBBBA make any changes to loan limits for undergraduate students?

The limits for loans to full-time undergraduate students remain unchanged under the OBBBA. The only changes that impact undergraduate students are prorating student loan limits based on enrollment intensity and capping PLUS loans to parents of undergraduate students.

Q: Which programs will be eligible for the higher loan limits for professional programs?

Profession programs lead to a degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.).

Q: Is the limit on Parent PLUS loans per student or per (parent) borrower?

The limit is per student, for all loans made on behalf of that student. For example, the parents of two undergraduate students could borrow a total of $40,000 ($20,000 for each student) per year for a lifetime total of up $130,000 ($65,000 per student). The total limit is the same regardless of which parent takes out the loans.

STUDENT LOAN REPAYMENT

Q: I am currently repaying my student loans. How will my repayment options change?

If you do not take out any new loans after June 30, 2026, you will continue to have access to the standard 10-year plan, the graduated plan, the extended plan, and the income-based repayment (IBR) plan. The Income Contingent Repayment (ICR), Pay as Your Earn (PAYE), and Saving on a Valuable Education (SAVE) plans will also remain available for eligible loans (subject to potential changes based on litigation or executive action) through June 30, 2028. Current borrowers can also choose to enroll in the Repayment Assistance Plan (RAP) once it becomes available.

Q: What happens if I am repaying loans from college and then take on new loans for a graduate degree?

If you take out new loans on or after July 1, 2026, you will repay your current and new loans through either the new standard plan or the RAP. Both plans let you repay your loans faster if you prefer. For example, if your repayment term under the new standard plan is 15 years, you can "prepay" your loan so that it is paid off in a shorter period of time such as 10 years.

Q: How does the new standard plan work?

Under the new standard plan, borrowers make the same monthly payment every month for a period of time that is based on the amount they borrowed (10 years for less than $25,000; 15 years for $25,000-$49,999; 20 years for $50,000-$99,999; and 25 years for $100,000 or more). The new standard plan is only available to borrowers who take out new loans on or after July 1, 2026.

Q: How does the Repayment Assistance Plan work?

Under the RAP, borrowers pay 1-10% of their annual income toward their student loans. The percent of income paid starts out low for low-income borrowers (with a $10 minimum payment) and increases to 10% for borrowers with incomes over $100,000. This means that borrowers enrolled in RAP pay more during years when their income is higher and less during years that their income is lower. Monthly payments are reduced by $50 per dependent and any remaining balance is forgiven after 30 years of on-time payments.

Q: How are married borrowers' payments calculated under the Repayment Assistance Plan?

The combined income of married borrowers (and the dependents claimed on their tax return) is used to calculate their combined payment if they file taxes jointly. If a married borrower files separate taxes, then only that borrower's income (and dependents claimed on their return) are used to calculate their individual payment.

Q: How does the Repayment Assistance Plan's payment-to-principal match work?

Borrowers who repay their loans through the RAP will generally see their balance go down every month they make an on-time payment. This is because interest not covered by their payment is not charged, and there is a payment-to-principal match of up to $50. For example, if a borrower's loans accrue $175 in interest in a month and their RAP payment is $100, they will not be charged the $75 in unpaid interest and they will receive the $50 matching payment so their balance will go down by $50. If their loan accrues $75 in interest in a month and their RAP payment is $100, then the $25 of their payment that went toward principal will be matched (additional $25) so their balance will go down by $50.

Q: Which repayment plans can Parent PLUS borrowers use?

Borrowers of new parent PLUS loans (borrowed on or after July 1, 2026) can only repay those loans using the new standard plan (with a repayment term of 10-25 years, depending on the amount borrowed). Current parent PLUS borrowers who participate in an income-driven repayment plan (such as those who access income-contingent repayment [ICR] via loan consolidation) at any point between July 4, 2025, and June 30, 2028, can enroll in income-based repayment (IBR).

Q: Which of the new repayment plans count toward Public Service Loan Forgiveness (PSLF)?

For borrowers of new loans (made on or after July 1, 2026), only on-time Repayment Assistance Plan (RAP) payments count toward PSLF. Payments made under the new standard plan do not count toward PSLF.

Q: Will borrowers still be eligible to have their loans cancelled through Borrower Defense to Repayment or Closed School Discharge?

Yes, relief through Borrower Defense to Repayment and Closed School Discharge will remain available to current and future borrowers. For loans made before July 1, 2035, these programs will be implemented as specified in the Department of Education regulations published on November 1, 2022.

ACCOUNTABILITY

Q: Which types of programs are covered by the "do no harm" earnings standard?

The earnings standard applies to undergraduate degree, graduate degree, and graduate certificate programs. (It does not apply to undergraduate certificate programs, which are covered by a similar earnings test in the Gainful Employment regulation.) Programs that fail the earnings standard for at least two out of three years lose access to federal student loans. Institutions with failing programs can appeal to the Secretary of Education and can also apply for those programs to become eligible again after at least two years.

Q: How will program-level median earnings be measured?

The Secretary of Education will measure program-level median earnings four years after completion, such as through data-sharing with the Department of the Treasury similar to that used for the College Scorecard. Only students who complete each program will be counted, and they will only be included in the measure if they are working and not enrolled in higher education (e.g., a student who graduates from a community college will not be counted if, four years later, they are enrolled in a bachelor's degree program).

Q: How will state- and field-specific earnings benchmarks be measured?

The Secretary of Education will set these benchmarks based on data from the U.S. Census, such as the American Community Survey 5-year data.

Q: How will medical education programs be affected by the earnings standard given that many of their graduates are enrolled in residency programs four years after completion?

Programs will not be impacted as long as most of their graduates earn more than the median high school graduate (for undergraduate programs) or bachelor's degree recipient in the same field (for graduate programs). Medical training programs are unlikely to be penalized because medical residents typically make more than the median bachelor's degree recipient.