



August 28, 2025

Ms. Tamy Abernathy  
Office of Postsecondary Education  
400 Maryland Ave. SW  
Washington, DC 20202

**Re: Docket ID ED-2025-OPE-0016**

Dear Ms. Abernathy:

On behalf of the American Council on Education (ACE) and the undersigned higher education associations, we write to offer comments on the Department of Education's (Department) pending implementation of H.R. 1, the One Big Beautiful Bill (OB BB) Act, which was signed into law on July 4.<sup>1</sup> Given the magnitude of this new law, it is critical that it be implemented in a way that fully considers the impact on all stakeholders, including students, families, institutions of higher education, and current and future student loan borrowers.

The passage of the OB BB represents a major overhaul of the nation's student loan and repayment systems, institutional accountability procedures, and how institutions package student aid. As changes are made, it is essential that the Department provides clarity and transparency and that there are no disruptions in the processing and delivery of student aid and borrowers' ability to repay their loans.

Before we offer our comments, we urge the Department to work with Congress to delay implementation of the OB BB until at least July 1, 2027. The negotiated rulemaking committees are currently scheduled to conclude their work in January 2026 with final rules being issued no earlier than March 2026 and likely much later given the high level of public interest and the scope and complexity of the law. This means that if the Department implements rules effective July 1, 2026, it would not only fail to meet the statutory requirements of the master calendar but also impose major changes to financial aid and student loan repayment for millions of students and borrowers only months before they take effect. Institutional systems and their vendors require sufficient time to make the necessary changes and communicate them to students and borrowers. Given the massive disruptions of the flawed launch of the new Free Application for Federal Student Aid (FAFSA), it is essential that we avoid another large-scale disruption of our aid and lending systems.

With these goals in mind, we offer the following comments.

**Clear and direct communication is critical for students, borrowers, and families to understand the new annual and aggregate loan limits and student loan repayment plans.**

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<sup>1</sup> Congress.gov. (2025, July 4). *H.R.1 - One Big Beautiful Bill Act*. <https://www.congress.gov/119/plaws/publ21/PLAW-119publ21.pdf>

In academic year (AY) 2024-2025, over 6.7 million students used federal student loans to finance their postsecondary education,<sup>2</sup> including over 3.9 million who used subsidized student loans, over 5.4 million who used unsubsidized loans, and over 980,000 who used PLUS loans.<sup>3</sup>

Given the millions of students impacted by these changes, it is vital that there are clear, direct lines of communication to students and families about the changes in borrowing limits. Similarly, institutions of higher education, and especially financial aid administrators (FAAs), must be informed of the changes regarding loan limits, repayment plans, when changes will take effect, how to implement them on their campuses, and how to effectively communicate them to students. In addition, enrolling in postsecondary education and taking on federal student loans is a major financial decision for students and their families. They deserve to have an ample amount of time to understand the new annual and aggregate loan limits to make this major decision.

We have heard directly from institutions of higher education in a survey we administered that changes to federal aid programs—especially Pell, Parent PLUS, and Grad PLUS loans—will restrict access, particularly for graduate and professional students, and weaken enrollment. In the survey, 23 percent of participants shared that they have experienced a recent decline in low-income student enrollment, and 15 percent had experienced a decline in the enrollment of first-generation students. When the annual and aggregate loan limits take place, these percentages are likely to increase.

Furthermore, the Department should ensure that all internal software is updated promptly. To make the changes to the student loan system and student loan repayment system successfully, the Common Origination and Disbursement System and the National Student Loan Data System must be updated. Also origination records must be updated and vendors must revise their financial aid systems with sufficient time for testing before implementation. In addition, a mechanism must be developed to monitor students' annual and aggregate loan limits for the Parent PLUS loans of multiple borrowers, including non-FAFSA parents. Finally, the Department should clarify whether the new loan limits apply to loans that were originated or disbursed on or after July 1, 2026.

### **The Department should create and disseminate a comprehensive list of professional degree programs.**

The OBBB changes annual loan limits for professional students from \$20,500 to \$50,000 and increased aggregate loan limits from \$138,500 to \$200,000 for first-time professional degree-seeking students. If a professional degree student seeks to obtain a second master's or professional degree, they only have access to federal loans in the amount remaining from what they borrowed previously. The law refers to the Code of Federal Regulations (CFR) to define a professional degree; however, the definition given in the CFR is non-exhaustive and only provides a few examples of degrees that would be considered professional.<sup>4</sup>

Based on feedback from multiple institutions of higher education, there is great uncertainty around what programs qualify as a professional degree program. We strongly recommend the

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<sup>2</sup> Office of Federal Student Aid. (n.d.). *Title IV program volume reports: Aid recipients summary (AY 2024-2025)*. Retrieved August 21, 2025, from <https://studentaid.gov/data-center/student/title-iv>

<sup>3</sup> *Ibid.*

<sup>4</sup> 34 CFR §668.2 identifies the following professional degree programs: 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.).

Department issue a list of professional degree programs to provide institutions of higher education with clarity and to ensure that current and prospective student loan borrowers are aware of their annual and aggregate loan limits. At the very least, the list should include programs identified in the *Federal Register* as meeting the definition of “qualifying graduate program” in the financial value transparency (FVT) final regulations, as these programs require professional licensure.<sup>5</sup> Also, based on institutional feedback, below are examples of programs we believe should be considered as well:<sup>6</sup>

- Architecture
- Law
- Accounting
- Occupational Therapy
- Physical Therapy
- Nursing
- Social Work
- Integrative Chaplaincy
- Special Education
- Secondary Education
- Vocal/General Music Education
- World Languages
- Public Health
- Teaching programs where professional licensure is required

**Proper staffing should be in place to implement the full scope of the OBBB.**

The Department has reduced its career staff by nearly half in just the last few months. This reduction in staff has already led to documented disruptions and delays of key services for institutions of higher education, students, and families, including trouble accessing FSA User ID and passwords, trouble accessing the FAFSA Processing System Helpdesk, and FSA regional office closures.<sup>7</sup>

With an additional \$1 billion in funding for student aid administration, the Department should ensure a sufficient workforce to provide a smooth transition for all current students, families, borrowers, and institutions of higher education. In response to our survey, institutional leaders expressed concern about whether the Department had sufficient capacity to manage the changes in the OBBB amid staffing cuts and increased demands.

**The data used to determine the median earnings for each program should be made publicly available in a timely, clear and concise manner.**

The OBBB subjects each program at an institution of higher education to the loss of Title IV loans if the program fails an earnings test for two out of three years. Removing access to Title IV loans will prohibit students from using federal loans to attend these programs, limiting access and potentially increasing the cost of college.

Given these potentially devastating impacts, students and institutions should have access to the data and calculations that are being used to hold programs accountable. Access to this data would equip institutions to make informed choices about program offerings and allow current

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<sup>5</sup> Federal Register. (2024, June 28). *Financial value transparency and gainful employment: List of approved classification of instructional program (CIP) codes for qualifying graduate programs*. U.S. Department of Education, Office of Postsecondary Education. <https://www.federalregister.gov/documents/2024/06/28/2024-14217/financial-value-transparency-and-gainful-employment-list-of-approved-classification-of-instructional>

<sup>6</sup> The Department should also consider programs that are recognized as professional degrees by accrediting bodies designated by the Department.

<sup>7</sup> Blake, J. (2025, July 21). *Staffing shortages at ed hurt college operations*. Inside Higher Ed. <https://www.insidehighered.com/news/government/student-aid-policy/2025/07/21/how-mass-layoffs-education-dept-affect-colleges>

and prospective students to make better informed decisions about their enrollment options. However, programmatic eligibility relies on opaque data sources (e.g., earnings at the 2-digit CIP code from Census for graduate program comparisons). The Department should provide additional guidance on how median earnings for each program would be calculated (e.g., the number of data years needed for small programs, which programs might be exempt and students who might be excluded) as well as how institutions can validate the completion cohort to ensure accuracy and quality.

**Further guidance is needed on the requirement for institutions to package non-federal grant aid before the Pell Grant.**

The Pell Grant currently operates as a first-dollar program when packaging aid, but the OBBB has changed this structure. Under the legislation, students who receive non-federal grant aid covering the full cost of attendance (COA) are ineligible for the Pell Grant. On first read, this may seem like the Pell Grant is now being considered after all non-federal grant aid regardless of whether it covers full COA. However, the intent of Congress is for the Pell Grant to remain a first-dollar program when packaging all aid—to include state aid, institutional aid, and aid from private sources—except in the one narrow instance where the aid covers full COA. Further guidance clarifying this congressional intent is needed.

**Further guidance is also needed regarding institutional accountability reporting.**

Of particular concern is the ambiguity in the legislative text regarding the accountability provision's implementation period. While it could be interpreted as holding a program accountable for the three years prior to the implementation date (essentially a retroactive implementation), a more reasonable approach would be to start the collection of earnings data that may subject a program to the loss of Title IV loans after the implementation date to allow institutions to comply fairly with the new accountability system.

Participants in the ACE survey also viewed the earnings thresholds and program-level data reporting required under the legislation as unclear, burdensome, and potentially harmful to fields like social work, education, the arts, and counseling, where short-term earnings lag despite long-term value. The OBBB does not require institutional reporting of data and relies on median earnings data from the U.S. Census Bureau to implement the accountability provisions. In addition, institutions can appeal the earnings data.

Further guidance is needed regarding what data institutions should report, and in what manner, when appealing the median earnings data. The Department should consider processes from the FVT regulations and prior gainful employment (GE) regulations to determine small programmatic cohorts, establish the appeals process, outline how institutions can regain programmatic eligibility, verify cohort completers lists, and properly identify professional degree programs. Clear instruction is also needed on what happens when institutions create new programs; how institutions should report student enrollment in programs; whether earnings will be adjusted for inflation; the crosswalk between the U.S. Census Bureau's field of degree-first entry data and classification of instructional program code data; and whether the in- and out-of-state residency status will be determined across all enrolled students or separately for enrolled undergraduate and graduate students.

Regarding the current FVT and GE regulations, the Department should cancel the collection of data that was delayed until September 30<sup>8</sup> and the new data collection scheduled for October 1.<sup>9</sup> Because the OBBB includes a new accountability structure that holds each applicable program accountable for the earnings of graduates compared to individuals 25-34 years of age with either a high school diploma or bachelor's degree, it is counterintuitive to have two separate accountability measures happening at once for such programs. This would create significant confusion for students, families, and especially institutions of higher education when attempting to comply with both. The OBBB accountability measure is the law and should be the only standard implemented by the Department for covered programs.

### **The negotiated rulemaking committee should add additional constituency groups.**

On college campuses, FAAs serve as the main connection point for students and families in helping them to decide how to finance their postsecondary education. Federal student aid administered by FAAs include the Pell Grant and other campus-based aid programs such as Federal Work-Study and Federal Supplemental Educational Opportunity Grants, as well as student loans. Over 7 million students received a Pell Grant, and 5 million undergraduate students, 1.4 million graduate students, and over 545,000 parents took out loans in AY 2024-2025.<sup>10</sup>

The negotiated rulemaking committee consists of two committees: the Reimagining and Improving Student Education (RISE) Committee and the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee. The RISE committee will be considering the phaseout of Grad PLUS loans, the changes in the annual/aggregate loan limits, and the simplification of the student loan repayment program, among other things. The AHEAD committee will consider the changes to how the Pell Grant is awarded, among other topics.

Both negotiated rulemaking committees address key issues that fall directly within the purview of FAAs. Not having their expertise on the committee will greatly hinder the successful implementation of the OBBB. It is important to include a separate category for FAAs so campus leaders can speak to the broad range of issues before the committees while also drawing on the expertise of FAAs on matters of financial aid administration.

In addition, the prior Trump administration included the following categories of institutions that each had a seat on a negotiated rulemaking committee<sup>11</sup>, and we recommend that these seats, at the very least, be added for a full and diverse representation of the higher education community:

- Institutions of higher education eligible to receive federal assistance under Title III, parts A, B and F, and Title V of the HEA, which include Historically Black Colleges and

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<sup>8</sup> Federal Student Aid. (2025, February 14). *Extension of the completers' list and reporting processes for financial value transparency and gainful employment until September 30, 2025*. U.S. Department of Education. <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2025-02-14/extension-completers-list-and-reporting-processes-financial-value-transparency-and-gainful-employment-until-september-30-2025>

<sup>9</sup> Section 668.408(b)(iii) requires institutions to report FVT data by October 1 following the end of the award year, unless the Secretary establishes different dates in a notice published in the Federal Register.

<sup>10</sup> Office of Federal Student Aid. (n.d.). *Title IV program volume reports: Aid recipients summary (AY 2024-2025)*. Retrieved August 21, 2025, from <https://studentaid.gov/data-center/student/title-iv>

<sup>11</sup> Negotiated Rulemaking Committee; Negotiator Nominations and Schedule of Committee Meetings-Accreditation and Innovation, 83 F.R. 51906 (proposed October 15, 2018). <https://www.federalregister.gov/documents/2018/10/15/2018-22506/negotiated-rulemaking-committee-negotiator-nominations-and-schedule-of-committee>

Universities, American Indian Tribally Controlled Colleges and Universities, Hispanic-Serving Institutions, Alaska Native and Native Hawaiian-Serving Institutions, and other institutions with a substantial enrollment of needy students as defined in Title III of the HEA;

- Two-year public institutions of higher education;
- Four-year public institutions of higher education;
- Private, nonprofit institutions of higher education; and
- Private, proprietary institutions of higher education.

We appreciate your time and consideration of our comments. We ask that you consider us as a resource in helping you navigate the best ways to implement the OBBB to ensure a smooth process and successful transition for all stakeholders.

Sincerely,



Ted Mitchell  
President

On behalf of:

American Association of Colleges for Teacher Education  
ACPA-College Student Educators International  
American Association of Colleges and Universities  
American Association of Colleges of Nursing  
American Association of Colleges of Osteopathic Medicine  
American Association of State Colleges and Universities  
American Association of University Professors  
American Association of Veterinary Medical Colleges  
American Council of Learned Societies  
American Council on Education  
American Psychological Association Services  
Association for Institutional Research  
Association of American Medical Colleges  
Association of American Universities  
Association of Community College Trustees  
Association of Governing Boards of Universities and Colleges  
Association of Independent California Colleges and Universities  
Association of Independent Colleges & Universities in Massachusetts  
Association of Independent Colleges & Universities of Rhode Island  
Association of Independent Colleges and Universities of Pennsylvania  
Association of Public and Land-grant Universities  
Complete College America  
Council for Advancement and Support of Education  
Council of Graduate Schools  
EDUCAUSE  
Hispanic Association of Colleges and Universities  
Higher Education Loan Coalition

Higher Learning Commission  
Independent Colleges of Washington  
Middle States Commission on Higher Education  
NASPA-Student Affairs Administrators in Higher Education  
National Association for College Admission Counseling  
National Association of College and University Business Officers  
National Association of Colleges and Employers  
National Association of Student Financial Aid Administrators  
National Council for Community and Education Partnerships  
New England Commission of Higher Education  
North Carolina Independent Colleges and Universities  
UPCEA  
WASC Senior College and University Commission