



Rural health workforce and graduate loans

Federal loan programs strengthen the health services workforce nationwide by creating conditions in which students from every community, including rural backgrounds, can access medical school and other health professional degrees. H.R. 1 instituted changes to the following programs, which will have detrimental impacts to the future rural health workforce.

GRAD PLUS LOANS:

- Grad PLUS loans help pay for graduate school costs, up to the cost of attendance, that are not covered by other financial aid. Many medical students and other health professional students rely on Grad PLUS loans to help with tuition and living expenses.
- **H.R. 1 ends the Grad PLUS loan program for new borrowers beginning July 1, 2026.**

UNSUBSIDIZED LOANS:

- Federal direct unsubsidized loans help undergraduate, graduate, and professional students pay for their education through a low interest rate and flexible repayment terms. Borrowers do not need to show financial need to qualify for loans, making them an accessible and attractive option for helping to finance health profession education.
- **H.R. 1 established lifetime borrowing caps for certain borrowers:**
 - Graduate students: \$100,000 total federal debt, \$20,500 per year.
 - Professional students: \$150,000 total, \$50,000 per year.
 - Aggregate cap across all federal loan programs: \$200,000 per borrower.
- The Department of Education (DoE) is pursuing rulemaking to define which degrees qualify as “professional” for the purpose of higher borrowing caps.

The new borrowing caps **will not cover the average cost of attendance for medical students nationally**. Blocking new borrowers will force students to take private sectors loans, introducing financial challenges with higher interest rates, or disincentivize students from entering medical school and ultimately rural practice.

\$268,476

Average cost to attend 4-year public medical school¹

\$363,836

Average cost to attend 4-year private medical school¹

1.8 M

Medical students depend on grad plus loans¹

\$ 2B

Annual dollar borrowing amount from medical students¹

1/20/2026

<https://www.ruralhealth.us/advocate>

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References:

1. <https://www.aamc.org/news/proposed-changes-federal-student-loans-could-worsen-doctor-shortage>
2. <https://www.aamc.org/data-reports/students-residents/report/graduation-questionnaire-gq>