DATA REPORT

The 2026 Graduate Education Funding Crisis

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Dataset: 1,861 universities · 7,333 programs · 28 degree types

Sources: Institutional websites, IPEDS (NCES), NPSAS:20 (NCES), FSA COD System, 34 CFR § 668.2, Public Law 119-21

Published: February 2026

The Gap Funding Group LLC

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Executive Summary

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (OBBBA) into law. Title VIII, Section 81001 eliminates the Grad PLUS loan program for all new borrowers effective July 1, 2026, and replaces it with hard annual caps: $50,000 for students pursuing federally designated professional degrees, $20,500 for all other graduate programs.

This report quantifies what that change means using actual tuition and cost-of-attendance data scraped from the websites of 1,861 American universities for the 2025–2026 academic year. Three findings define the scale:

- **95.2% of degree programs in our dataset exceed the new caps.** Only 350 out of 7,333 program-institution combinations would be fully covered by federal loans alone.
- **The aggregate annual funding shortfall amounts to approximately $51.8 billion** after accounting for average grants and scholarships reported in federal survey data (NPSAS:20). This figure represents total costs above the new caps across all graduate students, whether or not they currently borrow. At sticker price, the shortfall amounts to $59.9 billion.
- **The private lending market cannot close the gap.** The entire U.S. private student loan market currently originates roughly $14 billion per year across all borrower types — comparable to the $15 billion in Grad PLUS lending being eliminated.

The elimination of Grad PLUS is the largest change to graduate education financing since the program's creation in 2006. To understand the scope of that change requires understanding how the current system was built.

How the Current System Was Built

The Origin: Federal Lending as National Security (1958–1965)

Federal student lending in the United States did not begin as an education policy. It began as a defense policy. The National Defense Education Act of 1958, passed in the wake of Sputnik, created the first federal student loan program to produce more scientists and engineers. The Higher Education Act of 1965 expanded this into a broader commitment: the Guaranteed Student Loan Program, where private banks issued loans and the federal government insured them against default.

For graduate students, these early programs were modest. Borrowing limits were low, and students in high-cost professional programs (particularly medicine, dentistry, and law) routinely needed more than federal loans provided.

The HEAL Experiment: A Loan Program for Doctors (1978–1998)

In 1978, Congress created the Health Education Assistance Loan (HEAL) program to address this gap. HEAL targeted graduate students in the health professions (MD, DO, dentistry, veterinary medicine), where tuition had already outpaced general federal loan limits.

The mechanics were distinctive:

- **Private lenders** (banks and credit unions) issued the loans; the **federal government insured** them against default.
- Interest rates were **variable**, tied to the 91-day Treasury bill. (Today's students know only fixed rates.)
- Interest **compounded** while students were in school and during grace periods, a feature that could dramatically inflate principal.
- Borrowing was **capped** (at approximately $80,000 total), meaning HEAL addressed part of the gap but not all of it.

HEAL ran for twenty years before Congress terminated it on September 30, 1998. But the program's legacy persists: as of February 2024, approximately 6,500 health professionals still owed roughly **$421 million** in outstanding HEAL debt (Congressional Research Service, CRS Report R46720). These loans have no

statute of limitations; the government can garnish wages or offset tax refunds indefinitely. Discharging them in bankruptcy requires meeting a standard of "unconscionable" hardship, a higher bar than typical student loans.

> **Author's note:** HEAL is relevant as a precedent for targeted, profession-specific federal lending. Its variable rates and compounding interest (features that significantly increased borrower costs) were replaced by fixed-rate structures in subsequent federal programs.

The Nationalization of the Gap: Grad PLUS (2005–2006)

The modern architecture of graduate student lending was created by the Deficit Reduction Act of 2005, which took effect on July 1, 2006. To understand why, follow the money.

Before 2006, graduate students borrowed their federal Stafford limit ($18,500 at the time) at a relatively low interest rate. For any amount above that, they turned to private banks: Citibank, Sallie Mae, and a patchwork of state lending authorities. The federal government bore the risk on the first tranche of lending while private banks captured the profit on the high-interest "gap" layer above it.

The Deficit Reduction Act effectively **nationalized the gap**. Congress created the Grad PLUS loan, which allowed graduate and professional students to borrow up to the full cost of attendance, with no fixed dollar ceiling, directly from the federal government.

The system was designed as two tiers, and the split was intentional:

- **Tier 1 (Direct Unsubsidized):** The "base product." Lower interest rate, 1.057% origination fee (Federal Student Aid, FY 2025), capped at $20,500 per year. Available to every graduate student regardless of credit.
- **Tier 2 (Grad PLUS):** The "premium product." Higher interest rate, a 4.228% origination fee (Federal Student Aid, FY 2025; set by sequestration), and borrowing up to the full cost of attendance. Required only a minimal credit check: no income verification, no debt-to-income analysis. If a student was not actively in bankruptcy, they were approved.

The economics were substantial. The origination fee on Grad PLUS generated billions in "negative subsidy" (that is, revenue) for the federal government, used to offset other budget deficits. In economic terms, Grad PLUS functioned as a revenue instrument as much as an aid program.

The practical effect: **the funding gap between what graduate school cost and what a student could borrow dropped to zero.** If a university certified that its cost of attendance was $120,000 per year, the government would lend the full remaining amount after Stafford loans, no questions asked.

In the 2024–25 award year, graduate students borrowed $41.5 billion in federal loans: $26.5 billion in Direct Unsubsidized loans and $15 billion in Grad PLUS loans (Federal Student Aid, Common Origination and Disbursement System, data as of July 1, 2025). Of approximately 2.1 million graduate students, 1.3 million borrowed Unsubsidized loans and 441,000 used Grad PLUS. The remaining graduate students did not borrow federal loans at all.

The Bennett Hypothesis in Action

This arrangement created a feedback loop that then-Secretary of Education William Bennett identified in a 1987 *New York Times* op-ed ("Our Greedy Colleges"): *"increases in financial aid in recent years have enabled colleges and universities blithely to raise their tuitions, confident that Federal loan subsidies would help cushion the increase."* With Grad PLUS removing all borrowing ceilings, universities faced no external constraint on pricing. A school could raise its MBA tuition from $60,000 to $90,000 to $120,000, and the federal government would fund the increase automatically.

Whether the Bennett Hypothesis fully explains the last two decades of graduate tuition inflation is debated among researchers. The correlation is not in dispute: between 2006 and 2025, graduate program costs rose dramatically, and Grad PLUS absorbed the increase without friction.

July 4, 2025: The OBBBA

The OBBBA does not merely trim the edges of graduate lending. It **reverses the 2006 nationalization**. The market structure reverts to something closer to the pre-2006 landscape: a federal base layer with a hard cap, and everything above it pushed to the private sector.

But the environment has changed. In 2005, average graduate tuition was a fraction of today's levels and the gap between the federal cap and actual costs was measured in single-digit thousands. Today, it's measured in tens of thousands at typical programs and in hundreds of thousands at the most expensive ones.

The new caps take effect July 1, 2026.

What the Law Actually Says

Public Law 119-21, Title VIII, Section 81001 amends Section 455(a) of the Higher Education Act of 1965. The key provisions:

Annual Borrowing Caps (Effective July 1, 2026)

Student Type	Annual Cap	Definition
Professional student	$50,000	Enrolled in a program awarding a degree listed in 34 CFR § 668.2
Graduate student	$20,500	All other graduate programs not on the professional list as defined above
Parent PLUS (for undergrads)	$20,000	Per dependent student, across all parents

Aggregate Borrowing Limits

Student Type	Aggregate Limit	Notes
Graduate only (never professional)	$100,000	Above undergraduate borrowing
Professional only (never graduate)	$200,000	Above undergraduate borrowing
Mixed graduate + professional	$200,000 combined	Professional amount reduces graduate headroom
Lifetime maximum (all students)	$257,500	Across all federal borrowing except Parent PLUS
Parent PLUS aggregate	$65,000	Per dependent student

> **Author's note:** All caps and aggregate limits are fixed nominal dollar amounts. The statute contains no inflation adjustment or periodic review mechanism. The aggregate limits introduce a dimension our annual gap calculations do not fully capture. For many long-duration programs, the aggregate ceiling — not the annual cap — becomes the binding constraint. See "The Four-Year Wall" in Finding 7 for the full analysis.

Critical Timeline

Date	What Happens
June 30, 2026	"Grandfathering" snapshot: students enrolled and already borrowing retain prior rules
July 1, 2026	Grad PLUS terminated. New annual and aggregate caps take effect. Institutional authority to limit borrowing begins

The Interim Exception

Students enrolled in a program as of June 30, 2026 who have already received a federal loan for that program may continue borrowing under prior rules for the lesser of three academic years or their remaining time to credential. This creates a tapering window: a first-year medical student enrolled before the cutoff retains access to Grad PLUS for up to three more years. A student who enrolls in fall 2026 does not. Critically, the grandfathering is tied to "*such program of study*": a student who transfers to a different program loses eligibility and falls under the new caps immediately.

Institutional Authority

Beginning July 1, 2026, institutions gain explicit statutory authority to limit total loan amounts for specific programs, provided limits are applied uniformly to all students in that program. This allows schools to cap borrowing below the federal limit: for example, to prevent over-borrowing in lower-cost programs where the federal cap exceeds the actual cost of attendance, or to manage institutional exposure to student loan default metrics.

Methodology & Data

The Dataset

This analysis is built on tuition, fee, and living expense data scraped directly from the official websites of **1,861 U.S. universities** offering graduate and professional programs during the 2025–2026 academic year. The source institution list was drawn from IPEDS (the Integrated Postsecondary Education Data System maintained by the National Center for Education Statistics), filtered to schools reporting graduate-level completions.

The final dataset contains **7,333 program-institution combinations** across **28 canonical program types**, covering every major graduate and professional degree in the country: MD, JD, MBA, DNP, PA, DPT, MFA, MSW, and twenty others.

Data Collection Pipeline

An 11-step pipeline identified, fetched, classified, and extracted cost data from institutional web pages:

1. Target building from IPEDS institution list
2. Domain resolution, including subdomain expansion for multi-campus systems
3. Page fetching with JavaScript rendering, PDF extraction, and OCR
4. Page classification (tuition table, narrative, fee schedule, etc.)
5. LLM-assisted data extraction with structured schemas and fee decomposition (each mandatory charge captured as a named, categorized, waivability-tagged component)
6. Entity resolution normalizing raw program type strings into canonical labels
7. Final assembly with derived fields (annual COA, program duration, total cost)
8. Automated review queue generation from validation flags
9. Manual review of flagged items
10. Incremental re-extraction for error rows
11. Systematic data cleanup and deduplication

Data Cleaning

Starting from 12,746 raw extracted rows, the cleanup pipeline removed duplicates, corrected rate inversions, imputed missing living expenses using university-level medians, and consolidated near-duplicate records. The final output contains 7,333 rows across 1,861 universities.

Funding Gap Calculation

For each unique combination of program, institution, and residency status (resident, non-resident, or single-rate):

> **Annual Funding Gap** = max(0, Annual COA - Loan Cap)

Where Annual COA = Yearly Tuition + Mandatory Fees + Estimated Annual Living Expenses. The loan cap is $50,000 for the 11 federally designated professional degrees under 34 CFR § 668.2, and $20,500 for all other graduate programs.

> **Total Funding Gap** = Annual Funding Gap × Years to Completion

The **annual** gap measures the per-year shortfall; the **total** gap measures the cumulative shortfall over the life of the degree. Both figures appear throughout this report, clearly labeled.

Data Quality

The dataset combines automated extraction with manual spot-checks at 336 universities (3,153 program rows, or 43.0% of the dataset). Spot-checked figures are traceable to primary institutional sources: bursar pages, COA PDFs, and registrar fee schedules. Extraction confidence across all rows: 75.9% HIGH, 15.1% MEDIUM, 9.0% LOW. No row is excluded from analysis regardless of confidence level.

Finding 1: The 95% Problem

The gap is not concentrated at a handful of elite schools. It is everywhere: flagship publics, regional privates, research universities, teaching colleges, across every state and program type.

Of the 7,333 program-institution combinations in our dataset, **6,983 (95.2%) have an annual cost of attendance that exceeds the applicable federal loan cap.** Only 350 programs (4.8%) would be fully covered by federal loans alone.

The Gap by Classification

The policy creates a two-tier system with dramatically different outcomes:

Classification	Cap	Programs	With Gap	Gap %	Median Annual Gap
Professional	$50,000	1,022	786	76.9%	$27,688
Graduate	$20,500	6,311	6,197	**98.2%**	$20,210
All Programs	—	7,333	6,983	**95.2%**	$20,750

Median annual gap computed among programs with gap > $0.

Graduate students, who outnumber professional students more than 6:1, are almost universally affected. Their $20,500 cap is below the cost of attendance at virtually every institution in the country.

Cost of Attendance Distribution

The median annual COA across all programs is **$42,808**. The $20,500 graduate cap falls below the 25th percentile of costs ($32,758), meaning the cap is lower than even the cheapest quartile of programs.

Annual COA Range	Programs	Share	Implication
Under $20,000	112	1.5%	Below both caps
$20,000–$29,999	1,073	14.6%	Gap for graduate students
$30,000–$39,999	2,060	28.1%	Gap for graduate students
$40,000–$49,999	1,329	18.1%	Gap for graduate students; approaching professional cap
$50,000–$74,999	1,680	22.9%	Gap for both tiers
$75,000–$99,999	770	10.5%	Large gap, both tiers
$100,000+	309	4.2%	Extreme gap

Programs Where the Gap Is Universal

Several program types have a funding gap at **every single institution** in our dataset:

Program	Programs with Gap	Total	Gap Rate
Physician Assistant (PA)	180	180	**100%**
Physical Therapy (DPT)	202	202	**100%**
Occupational Therapy (OT)	94	94	**100%**
Audiology (AuD)	37	37	**100%**
Architecture	59	59	**100%**
Engineering (General)	135	135	**100%**
Psychology	57	57	**100%**
Social Work (MSW)	114	114	**100%**
Law (LLM)	95	95	**100%**

Our dataset covers 99.7% of IPEDS-listed institutions with graduate programs. There is no PA program, no DPT program, no OT program where the new cap would fully cover costs.

Finding 2: The Classification Gap

Eleven degree types. That's how many programs receive the $50,000 professional cap. Section 81001 defines "professional student" by pointing to 34 CFR § 668.2, a regulation that lists exactly **11 degree types** as "first-professional" degrees:

> D.C., D.D.S./D.M.D., J.D., M.D., O.D., D.O., Pharm.D., D.P.M., D.V.M., Psy.D. and M.Div./M.H.L./B.D.

These receive the $50,000 annual cap. Every other graduate degree, regardless of clinical intensity, program duration, cost, or IPEDS classification, receives $20,500.

Who Falls Through the Crack

The following five clinical doctorate types are classified by IPEDS as AWLEVEL 18, "Doctor's degree—professional practice," the same classification used for M.D. and J.D., but are not included in the 34 CFR § 668.2 list. The loan cap framework treats them as ordinary graduate programs.

Program	Loan Cap	Programs	Gap Rate	Median COA	Median Annual Gap	IPEDS Level
Physician Assistant (PA)	$20,500	180	**100%**	$60,080	$39,580	7/18
Physical Therapy (DPT)	$20,500	202	**100%**	$51,972	$31,472	18
Occupational Therapy (OT)	$20,500	94	**100%**	$52,600	$32,100	18
Nursing Doctorate (DNP)	$20,500	390	99%	$40,360	$19,860	18
Audiology (AuD)	$20,500	37	**100%**	$49,780	$29,280	18
For comparison:						
Medicine (MD)	$50,000	227	94%	$85,614	$35,614	18
Dentistry (DDS/DMD)	$50,000	107	98%	$99,869	$49,869	18
Pharmacy (PharmD)	$50,000	139	75%	$63,471	$13,471	18
Clinical Psychology (PsyD)	$50,000	28	79%	$63,552	$13,552	18
Law (JD)	$50,000	304	77%	$65,996	$15,996	18

A PA student pays a median $60,080 per year, comparable to a pharmacy student ($63,471), yet receives less than half the federal borrowing limit. The classification creates a **$29,500 difference in available funding** between programs with comparable costs, based solely on the 34 CFR § 668.2 degree list.

> **Author's note on HEAL precedent:** The 1978 HEAL program was created precisely because high-cost health professions needed borrowing capacity beyond standard federal limits. HEAL covered MD, DO, dentistry, and veterinary medicine, but it also did not cover DPT, PA, or nursing doctorates, which either didn't exist as doctoral programs or were far less expensive at the time. Forty-eight years later, those programs have become expensive clinical degrees, but the 34 CFR § 668.2 list has not changed. Under the OBBBA, the professional degree list is fixed as of enactment, meaning a regulatory update to 34 CFR § 668.2 would not retroactively change which programs qualify for the $50,000 cap.

Finding 3: The Healthcare Pipeline

The country trains its doctors, dentists, nurses, physical therapists, and physician assistants through graduate programs. Every one of those program types has a funding gap under the new caps.

Program	Programs	Cap	Median COA	Median Annual Gap	Median Total Gap	Gap Rate
Dentistry (DDS/DMD)	107	$50,000	$99,869	$49,869	$199,476	98%
Osteopathic Medicine (DO)	23	$50,000	$90,540	$40,540	$162,160	96%
Medicine (MD)	227	$50,000	$85,614	$35,614	$142,456	94%
Optometry (OD)	28	$50,000	$72,814	$22,814	$91,257	89%
Pharmacy (PharmD)	139	$50,000	$63,471	$13,471	$53,884	75%
Clinical Psychology (PsyD)	28	$50,000	$63,552	$13,552	varies*	79%
Physician Assistant (PA)	180	$20,500	$60,080	$39,580	$79,161	**100%**
Occupational Therapy (OT)	94	$20,500	$52,600	$32,100	$96,299	**100%**
Physical Therapy (DPT)	202	$20,500	$51,972	$31,472	$94,418	**100%**
Audiology (AuD)	37	$20,500	$49,780	$29,280	$117,120	**100%**
Nursing (Masters)	179	$20,500	$42,936	$22,436	$44,872	99%
Nursing Doctorate (DNP)	390	$20,500	$40,360	$19,860	$59,580	99%

**PsyD program duration ranges from 4 to 7 years, making a single median total gap figure misleading.*

The workforce implications are direct. The Association of American Medical Colleges projects a shortage of up to 86,000 physicians by 2036 (AAMC, *Projections From 2021 to 2036*, March 2024). The Bureau of Labor Statistics projects 189,100 annual openings for registered nurses through 2034 (BLS, *Occupational Outlook Handbook*, 2024-2034 projections). Both projections predate the OBBBA and assume no enrollment changes from the new loan caps.

Finding 4: The Out-of-State Penalty

Graduate students routinely cross state lines: for the best-ranked program in their field, for the only accredited program within reach, or for the research advisor whose work aligns with theirs. When they do, the funding gap doubles. Our dataset contains programs across six enrollment statuses:

Status	Programs	Gap Rate	Median COA	Median Annual Gap
General (private)	3,769	94.7%	$41,284	$19,370
Non Resident	1,607	98.0%	$50,511	$27,281
Resident	1,638	93.6%	$37,545	$13,664
Online	236	97.0%	$34,448	$13,691
Part-Time	61	88.5%	$46,530	$14,092
Executive	22	100%	$53,270	$32,770

The median out-of-state gap ($27,281) is **double** the median in-state gap ($13,664). For many programs (DPT, dental, veterinary), students may have no in-state alternative.

Largest Out-of-State Premiums

Institution	Program	In-State COA	Out-of-State COA	Premium
Ohio State University	Dentistry (DDS)	$89,658	$157,252	**$67,594**
IU Indianapolis	Dentistry (DDS)	$75,785	$132,425	**$56,640**
University of Minnesota	Dentistry (DDS)	$101,590	$157,913	**$56,323**
University of Kentucky	Dentistry (DDS)	$83,250	$130,952	**$47,702**
University of Maryland Baltimore	Dentistry (DDS)	$105,746	$152,903	**$47,157**
NE Ohio Medical University	Medical (MD)	$71,873	$118,401	**$46,528**
University of Louisville	Dentistry (DDS)	$66,655	$110,517	**$43,862**
University of Mississippi	Nursing (DNP)	$49,600	$93,100	**$43,500**
OU Health Sciences Center	Dentistry (DDS)	$83,422	$126,089	**$42,667**
Augusta University	Dentistry (DDS)	$52,239	$94,613	**$42,374**

Across 1,510 paired programs (same institution, program type, and degree with both resident and non-resident rates), the median non-resident COA premium is **$12,245**.

Finding 5: The Hidden Fee Burden

Tuition is the number on the brochure. Fees are the numbers on the bill. Beyond tuition, graduate students face a layer of mandatory fees that inflate the true cost of attendance. Our dataset includes **22,318 individual fee components** across 5,135 programs with itemized fee data, averaging 4.3 fee line items per program. These components were scraped from institutional fee schedules and categorized by type.

Most of these fees are non-negotiable. Health insurance is typically waivable if a student has outside coverage, but the remaining fees are charged to every enrolled student. All are part of the certified cost of attendance, which means they contribute directly to the funding gap.

Fee Category	Occurrences	Median Amount	Includes
Student Services	~6,950	$331	Registration, activities, transit
Non-Resident Surcharge	~206	$7,991	Separate NR fee where listed; most schools fold NR differential into tuition
Program-Specific	~1,930	$608	Lab, clinical, malpractice insurance
Health Insurance	~690	$2,820	Campus health plan (waivable with outside coverage)
Other Mandatory	~2,290	$195	Orientation, records, graduation
Supplemental Tuition	~170	$2,013	Differential tuition surcharges
Campus & Facility	~1,030	$190	Building, technology, library

Health insurance alone adds a median of **$2,820 per year**. Non-resident surcharges add another **$7,991 per year** at public institutions. Every dollar in fees is a dollar added to the funding gap.

Finding 6: The Shape of the Gap

Medians are useful summaries. They can also be misleading. The typical program has a gap of $20,750, but the distribution around that median reveals the full scope of the policy's impact. It's strongly right-skewed: most programs have moderate gaps in the $10,000–$35,000 range, but a long tail of high-cost professional programs extends well above $50,000.

Percentile Distribution (Among Programs with Gap > $0)

Percentile	Annual Funding Gap
10th	$7,285
25th	$11,926
50th (Median)	**$20,750**
75th	$36,490
90th	$55,635
95th	$68,041
99th	$96,929

At the 75th percentile, a program's annual gap reaches $36,490. At the 90th percentile, the gap exceeds $55,000 per year.

Programs Above Key Dollar Thresholds

Annual Gap Exceeds	Programs	Share of All Programs
$10,000	5,715	77.9%
$25,000	2,902	39.6%
$50,000	934	12.7%
$75,000	244	3.3%
$100,000	59	0.8%

More than three out of four programs have a gap exceeding $10,000. One in eight exceed $50,000. Fifty-nine programs, concentrated in dentistry, medicine, and elite professional schools, exceed $100,000.

Verified Flagship Examples

The following examples are drawn from the 336 universities (3,153 program rows) that were manually spot-checked against official institutional sources: bursar pages, COA PDFs, and registrar fee schedules.

Private University Professional Programs ($50,000 Cap)

Institution	Program	Annual COA	Cap	Annual Gap	Duration	Total Gap
NYU	Dentistry (DDS)	$155,996	$50,000	$105,996	4 yr	$423,984
Stanford	Medicine (MD)	$143,557	$50,000	$93,557	4 yr	$374,228
Columbia	Dentistry (DDS)	$136,216	$50,000	$86,216	4 yr	$344,864
Penn	Dentistry (DMD)	$135,306	$50,000	$85,306	3 yr	$255,918
Stanford	Law (JD)	$122,577	$50,000	$72,577	3 yr	$217,731
Northwestern	Medicine (MD)	$120,375	$50,000	$70,375	4 yr	$281,500
Columbia	Law (JD)	$118,694	$50,000	$68,694	3 yr	$206,082
Harvard	Law (JD)	$115,792	$50,000	$65,792	3 yr	$197,376

Private University Graduate Programs ($20,500 Cap)

Institution	Program	Annual COA	Cap	Annual Gap	Duration	Total Gap
Penn	Wharton MBA	$132,404	$20,500	$111,904	2 yr	$223,808
Columbia	Business (MBA)	$130,954	$20,500	$110,454	2 yr	$220,908
Stanford	Business (MBA)	$127,728	$20,500	$107,228	2 yr	$214,456
MIT	Sloan MBA	$126,712	$20,500	$106,212	2 yr	$212,424
Stanford	Engineering	$106,758	$20,500	$86,258	2 yr	$172,516

Public University — Resident vs Non-Resident

Institution	Program	Status	Annual COA	Cap	Annual Gap
Ohio State	Dentistry (DDS)	Resident	$89,658	$50,000	$39,658
Ohio State	Dentistry (DDS)	Non-Resident	$157,252	$50,000	$107,252
Michigan	Medicine (MD)	Resident	$87,130	$50,000	$37,130
Michigan	Medicine (MD)	Non-Resident	$107,968	$50,000	$57,968
UF	Medicine (MD)	Resident	$57,260	$50,000	$7,260
UF	Medicine (MD)	Non-Resident	$69,520	$50,000	$19,520
Michigan	Ross MBA	Resident	$105,026	$20,500	$84,526
Michigan	Ross MBA	Non-Resident	$110,026	$20,500	$89,526

Finding 7: The Aggregate Ceiling

The annual cap gets the headlines. The **aggregate limit** may be the deeper constraint.

Under the OBBBA, professional students face a $200,000 aggregate limit on graduate-level federal borrowing. Graduate students face a $100,000 limit. The lifetime ceiling across all federal borrowing (undergraduate and graduate combined) is $257,500.

The Four-Year Wall

The annual cap limits how much a student can borrow each year. The aggregate limit caps how much they can borrow *in total* across their entire program. At maximum annual borrowing, a professional student exhausts the $200,000 aggregate in exactly **four years** — precisely the length of most medical and dental programs. A graduate student exhausts the $100,000 aggregate in about **five years**.

Any student whose program runs longer, or who borrowed federal loans during undergrad, will hit the aggregate ceiling before graduation — losing federal loan access for their remaining semesters entirely.

Metric	Professional	Graduate
Annual cap	$50,000	$20,500
Aggregate limit	$200,000	$100,000
Years of borrowing before aggregate exhausted	4.0 years	4.9 years
Median total program cost (COA × duration)	$241,524	$83,160

> **Author's note:** The interaction between annual caps, aggregate limits, and prior undergraduate borrowing creates a three-dimensional constraint. A medical student who borrowed $40,000 for undergrad has only $217,500 in remaining lifetime borrowing capacity ($257,500 ceiling minus $40,000), potentially less than the total cost of their medical program alone. Under the statute, the lifetime borrowing maximum ($257,500) and the Parent PLUS aggregate ($65,000) are explicitly permanent: amounts "*repaid, forgiven, canceled, or otherwise discharged*" do not restore capacity. The graduate ($100,000) and professional ($200,000) aggregates do not contain this language, though the lifetime ceiling effectively imposes the same constraint.

The $51.8 Billion Question

The previous sections measured the gap program by program. This section asks what it adds up to.

When per-program funding gaps are scaled against IPEDS graduate completion data (approximately 2.1 million students per year across the institutions in our dataset), the aggregate annual funding shortfall reaches an estimated $59.9 billion at sticker price, or approximately **$51.8 billion** after accounting for average institutional aid. The sticker-price breakdown follows; the aid adjustment is derived in "Accounting for Institutional Aid" below.

Market Scale by Program Type

Program	Total Market/yr	Gap Market/yr	Gap Share	Students/yr	Programs
Graduate (General)	$29.0B	$14.6B	50%	705,476	2,350
Business (MBA)	$14.8B	$8.7B	59%	296,212	919
Medicine (MD)	$6.4B	$2.7B	42%	74,768	227
Law (JD)	$8.5B	$2.6B	31%	121,624	304
Public Health (MPH)	$4.4B	$2.6B	58%	90,544	276
Nursing Doctorate (DNP)	$4.9B	$2.6B	52%	114,180	390
Dentistry (DDS/DMD)	$4.5B	$2.6B	56%	39,783	107
Engineering	$4.4B	$2.4B	54%	97,042	265
Law (LLM)	$3.0B	$2.2B	74%	37,209	95
Physical Therapy (DPT)	$3.1B	$2.0B	65%	53,261	202
Physician Assistant (PA)	$2.9B	$2.0B	70%	42,905	180

The Two-Tier Gap

Tier	Students/yr	Total Market	Total Gap Market	Gap as % of Market
Professional ($50K cap)	~321,000	$24.8B	$9.3B	37.4%
Graduate ($20.5K cap)	~1,808,000	$87.6B	$50.6B	57.8%
Grand Total	**~2,129,000**	**$112.4B**	**$59.9B**	**53.2%**

Graduate students account for **$50.6 billion of the $59.9 billion gap** (84.5%) despite attending less expensive programs on average, because the $20,500 cap is below the cost of nearly every graduate program in the country.

The top three program categories (general graduate studies, MBA, and medical) account for $26.0 billion, or 43.4% of the total gap.

Accounting for Institutional Aid

The $59.9 billion figure is calculated from published cost of attendance. Not every student pays full sticker price. To estimate the gap after institutional aid, we applied grant and scholarship data from the most recent National Postsecondary Student Aid Study (NPSAS:20, conducted by NCES for the 2019-20 academic year).

NPSAS:20 reports that 43% of all graduate students receive grants or scholarships. The distribution is uneven. Among professional students, 47% receive grants averaging $14,400. Among master's students, 40.7% receive grants averaging $8,500. Among other doctoral students, just 34% receive grants averaging $11,300. The majority of graduate students, 57%, receive no grant at all.

To estimate the aggregate effect, we computed the **effective per-student grant** (receipt rate multiplied by average grant) for each NPSAS category and applied it to the corresponding programs in our dataset:

Tier	Students/yr	Effective Grant	Sticker Gap Market	Aid-Adjusted Gap Market	Reduction
Professional ($50K cap)	~321,000	$6,768	$9.3B	$7.5B	-19%
Graduate, master's level	~1,576,000	$3,460	$43.3B	$37.9B	-12%
Graduate, other doctoral	~232,000	$3,842	$7.3B	$6.4B	-12%
Total	**~2,129,000**		**$59.9B**	**$51.8B**	**-13%**

The aid-adjusted aggregate gap is approximately **$51.8 billion per year**, a reduction of $8.1 billion from the sticker-price figure. Three observations:

First, the share of programs with a gap barely changes. The effective per-student grant ($3,460 to $6,768 depending on category) is far too small to bring programs below the cap threshold. An estimated 94% of programs still have a funding gap after accounting for average institutional aid, compared to 95.2% at sticker price.

Second, clinical doctorates classified as "graduate" (PA, DPT, OT, DNP, AuD) get hit from both sides. They receive the lower $20,500 cap *and* a low effective grant ($3,842, reflecting the 34% receipt rate for "other doctoral" students in NPSAS). After aid adjustment, the median PA program still has a $35,738 annual gap — larger than the aid-adjusted gap at the median medical school ($35,614 sticker gap minus the $6,768 effective grant for professional students = $28,846).

Third: these are population averages, and institutional aid capacity is not evenly distributed. Harvard, with a $50 billion endowment, can offer scholarships that substantially offset its COA. A regional state university with a smaller endowment has far less capacity to discount, though it also charges less to begin with. The NPSAS average blends both extremes into a single number.

The 57% of graduate students who receive no grant or scholarship face the full sticker-price gap.

> **Author's note:** NPSAS:20 is the most recent available federal data on graduate student financial aid (conducted every 3-4 years by NCES). The 2019-20 survey predates the OBBBA. Institutional aid patterns may shift in response to the new caps, but no systematic data yet captures those changes.

How the $51.8 Billion Relates to Actual Borrowing

The $51.8 billion measures maximum exposure across all 2.1 million graduate students, whether or not they currently borrow. In practice, only 441,000 use Grad PLUS, borrowing $15 billion per year; the majority fund costs above the Unsubsidized limit through savings, family resources, employer sponsorship, or institutional aid. Professional students retain some federal capacity under the new $50,000 cap, but graduate students lose their Grad PLUS borrowing entirely. We estimate the net federal lending displacement at approximately **$11–13 billion per year**.

> See "Net Displacement Estimate" in the Methodology Appendix for the full derivation.

The Private Market Cannot Replace Grad PLUS

Eliminating Grad PLUS does not eliminate the need to pay for graduate school. Students who cannot cover costs through savings, family resources, or employer sponsorship can be reasonably expected to turn to private lenders. The question is whether that market can absorb the demand. The available evidence suggests it cannot.

The Scale Mismatch

Grad PLUS originates **$15 billion per year**. The new $50,000 professional cap offsets an estimated $2–4 billion; the remaining **$11–13 billion** in net displacement must be absorbed by a private market that originates roughly **$14 billion per year** across all borrower types, undergraduate and graduate combined.

Because private student lending is funded primarily through securitization (Student Loan Asset-Backed Securities), even a partial displacement of the Grad PLUS volume would need corresponding growth in warehouse credit lines, SLABS issuance, and investor appetite for a borrower pool that previously existed entirely within the federal system. That infrastructure has historically expanded gradually in response to market demand, not all at once.

> **Author's note:** Enterval Analytics (formerly MeasureOne) tracks private student loan originations by contributing lenders representing approximately 70% of the active market by origination volume. Their contributors originated $10 billion in AY 2022-23 (Enterval, *Private Student Loan Report*, Q3 AY 2024-25). Extrapolating to the full market, assuming comparable origination intensity among non-contributing lenders, yields roughly $14 billion. At the estimated $11–13 billion net displacement, the $14 billion private market would need to nearly double. Even if the true market is 50% larger ($21 billion), absorbing the displaced volume would still require more than 50% growth in total origination.

Why Private Lenders Won't Fill the Gap Equally

Grad PLUS operated on a fundamentally different credit model than private lending:

Feature	Grad PLUS (Pre-2026)	Private Lenders (Post-2026)
Borrowing limit	Cost of Attendance (unlimited)	Risk-based; varies by borrower
Credit check	Pass/fail (adverse history only)	Full underwriting (FICO, DTI, income)
Income verification	None	Required
Co-signer	Rarely needed	~90% of loans require a co-signer
Approval rate	Effectively all applicants without adverse credit history	Under 10% for solo applicants without a co-signer
Collections power	Wage garnishment, tax offset, no statute of limitations	Standard commercial collections

Grad PLUS acted like a pipe; everything flowed through. The private market is a filter. According to Enterval Analytics, approximately **90% of private student loans require a co-signer**, and industry-wide approval rates for solo applicants without a co-signer are estimated at under 10% (CFPB, *Annual Report of the Student Loan Ombudsman*, 2024). The critical difference: the federal government could lend against a student's *future income*. Private lenders lend against *current assets*. Most full-time graduate students have no meaningful current income; without a co-signer, they are effectively ineligible regardless of their academic qualifications or expected career trajectory.

The Four-Tier Sort

Our data allows us to estimate how the private market will segment the 6,983 programs with funding gaps based on gap size and likely underwriting outcomes.

Tier	Gap Size	Likely Outcome	Programs	Share
Fully covered	$0	No gap; federal cap covers full COA	350	4.8%
Approved solo	$1–$10K	Manageable loan amounts; some students qualify without co-signer	1,268	17.3%
Approved with co-signer	$10K–$25K	Loan likely requires parental co-signer with verifiable income	2,813	38.4%
Approved reluctantly / high rate	$25K–$50K	Large gap; co-signer near-mandatory; rates 10–15%	1,968	26.8%
High denial risk	$50K+	Very large gap; co-signer mandatory; many denials	934	12.7%

> **Author's note:** The gap-size thresholds and tier labels are modeled categories based on general private lending norms, not observed approval data. Program counts and shares are computed from our dataset. The "Likely Outcome" descriptions are illustrative of how private underwriting typically responds to loan size.

Nearly **78% of all programs** fall into tiers where a co-signer is strongly preferred or effectively mandatory. For the 934 programs with gaps exceeding $50,000 (12.7% of the dataset), private lending approval becomes uncertain even with a co-signer.

The 2005 Analogy and Its Limits

Before 2006, graduate students did borrow from private lenders to fill the gap above their federal Stafford limit. The OBBBA reverts to a structurally similar model. But two decades of tuition inflation have changed the math:

- In 2005, the gap between the federal limit ($18,500) and typical graduate COA was measured in **single-digit thousands** at most programs.
- In 2026, the gap between the federal limit ($20,500) and median graduate COA ($42,808) is **$22,308**. Even under the higher $50,000 professional cap, the annual gap reaches **$35,614** at the median medical school, **$49,869** at the median dental school, **$93,557** at Stanford Medicine, and **$86,216** at Columbia Dentistry. In fact, 59 programs in our dataset have annual gaps exceeding $100,000.

Can Tuition Cuts Close the Gap?

If the government caps lending, will universities lower prices? This is the Bennett Hypothesis in reverse: the theory that unlimited federal aid enabled tuition inflation, so capping aid should deflate it.

Our data tests this theory directly. The question is simple: **how large a tuition cut would each program need to eliminate the funding gap entirely?** The table below covers the same 11 program types used in the Market Scale analysis, representing the largest contributors to the aggregate funding gap.

Program	Cap	Median COA	Median Tuition	Tuition After 20% Cut	COA After 20% Cut	Remaining Gap	Cut to Zero
Law (LLM)	$20,500	$67,262	$39,930	$31,944	$59,276	**$38,776**	100%+
Dentistry (DDS/DMD)	$50,000	$99,869	$62,970	$50,376	$87,275	**$37,275**	79%
Physician Assistant (PA)	$20,500	$60,080	$32,568	$26,054	$53,566	**$33,066**	100%+
Physical Therapy (DPT)	$20,500	$51,972	$26,418	$21,134	$46,688	**$26,188**	100%+
Medicine (MD)	$50,000	$85,614	$53,644	$42,915	$74,885	**$24,885**	66%
Public Health (MPH)	$20,500	$42,862	$18,000	$14,400	$39,262	**$18,762**	100%+
Nursing Doctorate (DNP)	$20,500	$40,360	$17,102	$13,682	$36,940	**$16,440**	100%+
Business (MBA)	$20,500	$38,280	$16,002	$12,802	$35,080	**$14,580**	100%+
Engineering	$20,500	$38,234	$17,838	$14,270	$34,666	**$14,166**	99%
Graduate (General)	$20,500	$33,996	$13,939	$11,151	$31,208	**$10,708**	97%
Law (JD)	$50,000	$65,996	$39,855	$31,884	$58,025	**$8,025**	40%

Fees and living expenses held constant.

As shown above, a 20% tuition reduction **does not close the gap for any of the 11 program types.** The median MBA illustrates: a 20% cut brings tuition from $16,002 to $12,802, but the resulting COA ($35,080) remains $14,580 above the cap. Six program types, including MBA, are marked 100%+, meaning even free tuition would not close the gap.

Law (JD) is the only program where a tuition cut alone could close the gap. At the median law school, a 40% reduction of the $39,855 tuition, roughly $16,000, would bring COA below the $50,000 cap. Graduate (General) and Engineering programs would need 97% and 99% cuts to reach their $20,500 cap, effectively zero tuition.

> **Author's note:** This analysis uses tuition as the variable because it's the component institutions can most directly control. Health insurance and living expenses are outside institutional control.

The Fixed-Cap Ratchet

The gap figures in this report are based on 2025–2026 costs. As noted in "What the Law Actually Says," the OBBBA caps are fixed nominal dollar amounts with no inflation adjustment. If tuition holds steady and living expenses continue to rise with general inflation, the funding gap will widen each year without any policy change.

Enrollment Pressure and Workforce Effects

The funding gap is a number. What matters is what people do in response to it. This section moves from calculation to projection, using the data above to identify which programs are most likely to see enrollment changes and where those changes intersect with documented workforce shortages.

The programs most likely to experience enrollment changes are not those with the largest dollar gaps (which tend to be high-ROI programs where students have strong financial incentive to persist) but those with **moderate gaps and modest salary outcomes**, where private lending underwriting may be less favorable.

Workforce Pipeline Implications

If enrollment declines in these programs, the effects correspond to specific workforce pipelines:

- **Social workers** staff child protective services, hospitals, schools, and mental health clinics. BLS projects 74,000 annual openings for social workers through 2034, with 6% employment growth (BLS, *Occupational Outlook Handbook,* 2024-2034 projections).
- **Public health professionals** run epidemiological surveillance, vaccination programs, and emergency preparedness.
- **Teachers with graduate credentials** (Education, MAT) are required for salary advancement in most districts. Changes to this pipeline could affect K-12 staffing.
- **Mental health counselors and psychologists** are in documented shortage nationwide. An APA survey found 60% of psychologists had no openings for new patients, with average waitlists of three months or longer (APA, *2022 Practitioner Impact Survey*). Over 169 million Americans live in a Mental Health Professional Shortage Area (HRSA, 2023).

These effects operate on a lag. The policy decision was made in 2025. Loan access changes in 2026. Enrollment changes would show up in 2026–2028. The workforce effects follow in **2029–2032**. It takes two years to train a social worker. Five to seven for a psychologist.

Composition Effects

Private market underwriting and enrollment pressure together point toward a compositional shift. In programs where the funding gap is large relative to salary outcomes and private lending approval rates are lower, the students most likely to persist are those with access to non-loan funding: savings, family funds, employer sponsorship, or institutional scholarships.

The mechanism is mechanical:

1. Federal lending is capped below cost of attendance.
2. Private lenders evaluate each borrower's credit profile and the program's expected ROI.
3. For programs with lower expected salary outcomes, approval rates and loan terms are less favorable.
4. Students with access to non-loan funding continue to enroll. Students dependent on borrowing face a different cost-benefit calculation.

Private loans have never offered income-driven repayment or public service loan forgiveness, protections available under federal loans that have historically mitigated the repayment burden for graduates entering lower-paying public service fields. Institutional responses, such as increased scholarship funding, employer partnerships, or tuition restructuring, could partially offset these compositional pressures, though the scale and timing of such responses are unknown.

The Transition Window

Consider two dental students at the same school. One enrolled in 2025 and borrowed under Grad PLUS. The other enrolls in August 2026. They sit in the same clinic, pay the same tuition, and complete the same clinical rotations. One can borrow the full cost of attendance from the federal government. The other is capped at $50,000, roughly half of what the program costs.

As described in the Interim Exception above, grandfathered students retain access to prior borrowing rules while new enrollees fall under the new caps, creating **two concurrent lending regimes within the same institution and program.**

Financial aid offices face the challenge of administering two parallel lending regimes simultaneously. Award letters for the 2026–2027 academic year must reflect the old rules for continuing students and the new rules for incoming students.

As of this report's publication in February 2026, enrollment decisions for fall 2026 are already underway. Financial aid packages typically go out in March and April, when students will see the gap for the first time in their award letters. By May, anecdotal reports of deferred admissions and program withdrawals may begin. By September, the first enrollment data under the new regime should begin to emerge.

A Final Note on the Data

The dataset behind these findings is, to our knowledge, the most comprehensive independent analysis of the financial impact of the Grad PLUS elimination under OBBBA.

Of the degree programs in our dataset, 95.2% exceed the new caps, producing an aid-adjusted annual funding gap of $51.8 billion. The Grad PLUS program being eliminated originates $15 billion per year; the entire private student loan market originates roughly $14 billion, and approximately 90% of those loans require a co-signer.

What happens next depends on how institutions, lenders, and students respond. The data in this report captures 2025–2026 costs across 1,861 universities in the last year before the new caps take effect. This baseline will be difficult to reconstruct once institutions update their published rates, and may serve as a reference point for evaluating the impact of these changes going forward.

Methodology Appendix

Data Sources

- **Tuition and fee data:** Institutional websites of 1,861 U.S. universities, academic year 2025–2026
- **Institution list:** IPEDS (National Center for Education Statistics), filtered to institutions reporting graduate-level completions at AWLEVEL codes 7, 18, and 19
- **Student enrollment estimates:** IPEDS CIP Completions Survey, distributed proportionally across program rows
- **Professional degree classification:** 34 CFR § 668.2, U.S. Code of Federal Regulations
- **Legislative text:** Public Law 119-21, Title VIII, Section 81001 (signed July 4, 2025)
- **Institutional aid data:** National Postsecondary Student Aid Study 2019-20 (NPSAS:20), NCES 2023-466
- **Federal lending volume:** Federal Student Aid, Common Origination and Disbursement (COD) System, 2024–25 Award Year, data as of July 1, 2025
- **HEAL loan data:** Department of Health and Human Services historical program records; Federal Student Aid portfolio data

Limitations

Student enrollment estimates are approximate. IPEDS CIP completions data reports completions by discipline (CIP code) per institution, but the pipeline does not map CIP codes to the program types used in this dataset. Instead, completions were summed per institution and distributed uniformly across program rows, which may over- or undercount specific programs. The $51.8 billion aid-adjusted and $59.9 billion sticker-price aggregate gap figures should be understood as order-of-magnitude estimates rather than precise calculations.

Cost of attendance figures reflect published institutional rates. Actual student costs vary based on institutional aid, scholarships, assistantships, and individual living arrangements. The sticker-price funding gap represents the worst case; the aid-adjusted gap (using NPSAS:20 averages) represents an estimate of the population-level impact. Individual students may face gaps larger or smaller than either figure depending on institutional generosity and individual financial circumstances. NPSAS:20 data is from 2019-20 and reports

by broad degree level (master's, doctoral-professional, doctoral-other), not by specific program type. Aid distributions within categories (e.g., MBA vs. MSW within the "master's" category) may differ from the category average.

Annual COA may reflect an average across program years. Some programs charge different tuition in each year of the program (e.g., dental schools with lower D1 tuition and higher D2–D4 tuition). Where year-differentiated rates were available, the annual figure represents a weighted average across all program years. For programs without year-differentiated data, the annual figure reflects the published 2025–2026 rate. In both cases, the Total Funding Gap (Annual Gap multiplied by program duration) is an approximation — the actual gap varies by year of enrollment.

Aggregate limit analysis is illustrative. The interaction between annual caps, aggregate limits, and prior undergraduate borrowing varies by individual student. Students with no prior borrowing have more headroom; students who maximized undergraduate loans have substantially less.

The dataset covers 1,861 of approximately 1,866 IPEDS-listed institutions with graduate programs, representing approximately 99.7% coverage and 98.4% of annual graduate completions at those institutions. Five institutions were excluded due to inaccessible websites or insufficient cost data.

Living expenses were imputed for approximately 48% of rows using the median living expense from programs at the same university that had scraped values. No program required the federal fallback default; every university with missing living expenses had at least one other program row with scraped data to derive the imputation from.

Part-time enrollment caps are not prorated. The dataset includes 61 part-time program rows (0.8% of total). Under the OBBBA, loan eligibility for part-time students is prorated by enrollment intensity (credits enrolled divided by full-time credits), not a flat percentage. Because the dataset does not capture credit loads for part-time rows, the analysis applies full annual caps ($20,500 graduate / $50,000 professional) to these rows. This slightly understates the funding gap for part-time students, but at less than 1% of rows the impact on aggregate figures is negligible. Of the 61 part-time rows, 28 are professional programs (predominantly Law JD evening programs) and 33 are graduate programs.

Research doctoral programs are excluded. The dataset covers IPEDS award levels 7 (master's), 18 (doctor's — professional practice), and 19 (doctor's — other). AWLEVEL 17 (doctor's — research/ scholarship) is excluded because research PhD students are typically fully funded through assistantships and tuition waivers and do not rely on federal loans for cost of attendance. The 2.1 million student estimate and all aggregate gap figures reflect only levels 7, 18, and 19. Research PhD students who are not fully funded would face the $20,500 graduate cap but are not represented in these calculations.

Fee data coverage varies across programs. Of the 7,333 programs in the dataset, approximately 5,135 (70%) have itemized fee component data. The remaining programs either bundle fees into tuition (reported as "Fees Included") or had fees that could not be individually extracted from source pages.

The $51.8 billion gap measures total exposure, not current borrowing. The gap aggregates unfunded COA across all graduate students regardless of whether they currently borrow. Actual Grad PLUS utilization was $15 billion in 2024–25 across 441,461 borrowers, indicating that most graduate students fund costs above the Unsubsidized limit through non-loan sources.

Net Displacement Estimate

The Grad PLUS program originates $15.0 billion per year to 441,461 borrowers (FSA COD, 2024–25). Under the OBBBA, professional students receive a $50,000 annual cap, providing $29,500 in federal capacity above the current $20,500 Unsubsidized limit. This replaces part of their current Grad PLUS borrowing. Graduate students receive no additional capacity.

FSA COD data does not report Grad PLUS borrowing by student classification. To estimate the split, we apply the enrollment ratio from our dataset: professional students represent approximately 15% of graduate enrollment (~321,000 of ~2,129,000). Applying this ratio to Grad PLUS borrowers:

	Professional	Graduate	Total
Estimated borrowers	~66,000	~375,000	441,461
Cap offset per borrower	$29,500	$0	—
Total offset	~$2.0B	$0	~$2.0B

Base estimate: $15.0 billion − $2.0 billion ≈ $13 billion per year.

The $29,500 offset assumes each professional borrower's current Grad PLUS exceeds $29,500. At the median professional COA of $65,000+, current Grad PLUS borrowing is approximately $45,000+ per borrower, well above the offset threshold.

Sensitivity: Professional students likely use Grad PLUS at higher rates than graduate students because of their higher cost of attendance. If professional utilization is two to three times the graduate rate (yielding ~100,000–130,000 professional borrowers), the offset increases to $3.0–3.8 billion and net displacement falls to approximately $11–12 billion.

Estimated range: $11–13 billion per year. This measures mechanical displacement: the current federal lending volume that exceeds the new cap structure. It does not account for behavioral responses such as reduced enrollment or borrowing.

Report and methodology available at thefundinggap.org

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