



Federal Student Aid Changes from the One Big Beautiful Bill Act Affecting Optometry Students

Students entering optometry school in academic year 2026-2027 are facing new federal student loan changes due to the One Big Beautiful Bill Act. As part of the law's student loan reforms, students enrolled in designated professional programs, including those in optometry school, law school and medical school, will be limited to borrowing \$50,000 in government-backed student loans annually—for a lifetime maximum graduate school limit of \$200,000.

While AOA warned Congress that new loan limits may put optometry school out of reach for some, including those from traditionally underserved communities, lawmakers did heed AOA's call to include optometry as eligible for higher loan limits as a recognized "professional program" alongside other physicians, lawyers and select others. Some provider groups, including therapists, advanced practice nurses, and others are right now fighting for Capitol Hill and federal agency changes that would expand "professional program" designation and raise restrictions for those not now recognized as professional programs beyond the current \$20,500 annual and \$100,000 aggregate limits.

While loan limits are designed to protect students from excessive debt, AOA continues to raise concerns that the new limits risk limiting access to optometry schools. The new \$200,000 limit may cover the costs of tuition for many; however, students are also faced with challenges covering living expenses, equipment, and taking and traveling to national board exams. AOA also notes that the limits may place further strain on patient access to needed eye care – from both doctors of optometry and ophthalmologists. Ophthalmology students are facing the same loan limitations, though their tuition is generally higher and training takes longer. AOA will continue assessing the impact of the new law on patients, including regarding delayed and denied care in areas around the country already facing eye care access challenges.

Connect with your U.S. Senate and House lawmakers and make your voice heard on this and other AOA advocacy priorities via the AOA's Online Action Center at: <https://ac.kpdashboard.com/acaoa>

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Graduate PLUS Loan Program (Effective July 1, 2026) - Eliminates the Graduate PLUS loan program effective July 1, 2026, for new borrowers.

Legacy Provision: If a borrower has a Graduate PLUS loan made before July 1, 2026, while enrolled in a credentialed program, the borrower can continue to borrow from the program for 3 academic years or the remainder of their expected time to credential, whichever is less.

Professional Annual & Aggregate Loan Limits (Effective July 1, 2026) - Caps the annual loan limits at \$50,000 for professional students. The aggregate limit is capped at \$200,000 for professional students and does not include amounts borrowed as an undergraduate. (Borrowers who are both graduate and

professional students at some point in their educational careers may only borrow up to \$200,000 in total (for graduate and professional school.)

Legacy Provision: If a borrower has a Direct Unsubsidized Loan made before July 1, 2026, while enrolled in a credentialed program, the borrower can continue to borrow under current loan limits for 3 academic years or the remainder of their expected time to credential, whichever is less.

Federal Loan Program Lifetime Loan Limits (Effective July 1, 2026) - \$257,500 lifetime borrowing limit on all federal student loans, excluding borrowed Parent PLUS loan amounts (in the case of a dependent student who had Parent PLUS borrowed on their behalf for education expenses).

Legacy Provision: If a borrower has a Federal Direct Loan made before July 1, 2026, while enrolled in a credentialed program, the borrower can continue to borrow under the current loan limits for 3 academic years or the remainder of their expected time to credential, whichever is less.

Repayment Plan/New Borrowers (Effective July 1, 2026) - Borrowers with new loans made on or after July 1, 2026, can be repaid using only two plans: a new standard repayment plan and the new income-based repayment plan, RAP. If a borrower with new loans made on or after July 1, 2026, does not select a plan, they will be assigned to the new standard repayment plan.

All loans must be paid under the same repayment plan, so borrowers with loans made before July 1, 2026, who take out additional loans on or after July 1, 2026, will only have RAP and the new standard repayment plan as options.

Repayment Plan/Current Borrowers (Effective July 1, 2026 & July 1, 2028) - Current borrowers with no new loans made on or after July 1, 2026, are eligible to enroll in the current Standard, Graduated, Extended, or current Income Based (IBR) repayment plans, and may also opt in to the new RAP.

Current borrowers enrolled in ICR, PAYE, or SAVE plans must transition to a different repayment plan (current IBR, current standard plans, or RAP) by July 1, 2028. If no selection is made by that date, they will be moved into RAP automatically.

Repayment Assistance Plan (Effective July 1, 2026) - Creation of a new IBR plan called the Repayment Assistance Plan (RAP). If married filing separately, the spouse's AGI and number of dependents are not included in the payment calculation. \$10 minimum payment. The monthly payment is 1-10% of income based on AGI. \$50 off monthly payment (base payment) per dependent. 30-year repayment period. Eliminates negative amortization. No cap on monthly payment, even if it's higher than the standard repayment plan would be. If a borrower makes an on-time payment that reduces their principal by less than \$50, ED will cover the difference, up to the amount paid.

After all current borrowers move out of all other current IDR or Standard plans, they will be sunset.

IBR Plan (Current) (Effective July 1st, 2026) - Removes the requirement for borrowers to demonstrate a partial financial hardship. Retains cancellation for balances of loans repaid under IBR at 25 years.

Standard Repayment Plan (Effective July 1, 2026) - Creation of a new standard plan with 4 fixed terms of 10, 15, 20, or 25 years based on the amount borrowed (or outstanding balance if in repayment).