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Nurse pipeline faces potential new barrier under federal loan proposal

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<https://www.chartis.com/insights/nurse-pipeline-faces-potential-new-barrier-under-federal-loan-proposal>

The Buzz This Week

On November 6, the US Department of Education (ED) released a [draft proposal](#) on federal student loans, drawing a [distinction between “professional” and “graduate” degrees](#) for borrowing limits. Nursing degrees are notably under a lower borrowing limit. The new proposal stems from the One Big Beautiful Bill Act (OBBBA) and is intended to create more sustainable student loan borrowing and simplified repayment plans.

Under the proposal, which will be published for public comment, programs such as medicine, dentistry, pharmacy, and other “high-cost” clinical fields will be designated as professional degrees with higher federal borrowing limits. Nursing was excluded from this category, despite being a licensed clinical profession central to patient care. Several other clinical and allied health fields—such as physical therapy, occupational therapy, speech-language pathology, physician assistant programs, and social work—are also proposed to be categorized under the lower borrowing limits rather than the professional tier.

Beginning July 1, 2026, [federal borrowing](#) for graduate degree programs will be capped at \$20,500 per year, with a \$100,000 lifetime limit. Students in professional degree programs, by contrast, can borrow up to \$50,000 annually, with a \$200,000 lifetime limit. Historically, Graduate PLUS loans helped graduate students cover the full cost of education for the academic year, but that program will now be eliminated.

Federal officials emphasize that this is an internal method for categorizing programs for loan limit purposes, not a reflection of the importance of any profession. The ED also cites internal data showing that [approximately 95% of nursing students](#) currently borrow below the new caps, suggesting the overall impact will be limited and could encourage high-cost programs to reduce tuition.

However, data published in July by the National Center for Education Statistics show that graduate nursing programs cost, on average, more than \$30,000 per year. This means that tuition for many programs, especially nurse practitioner tracks, exceeds the new \$20,500 borrowing limit. The American Nurses Association, the American Association of Colleges of Nursing, and other groups warn that the caps will hit the debt-intensive advanced nursing degrees. These nurses often carry significant loan burdens and rely on federal loan programs rather than private lending.

“At a time when healthcare in our country faces a historic nurse shortage and rising demands, limiting nurses’ access to funding for graduate education threatens the very foundation of patient care,” said Jennifer Mensik Kennedy, president of the American Nurses Association. “In many communities across the country, particularly in rural and underserved areas, advanced practice registered nurses ensure access to essential, high-quality care that would otherwise be unavailable.”

While the negotiated rulemaking committee reached a consensus, the next key step is a public comment period on the proposed text. At that point, stakeholders will have a formal opportunity to press for changes before the rule is finalized, which is expected in early 2026.

Why It Matters

The US is navigating a projected nursing shortage of 63,720 full-time registered nurses by 2030. As care needs become more complex, nurses with advanced training and specialization are vital to care delivery and patient outcomes. Advanced practice nurses are also critical to delivering primary care, behavioral health services, and essential services in rural and underserved communities.

To meet these needs, nursing students are increasingly seeking advanced degrees to become nurse practitioners, certified nurse midwives, clinical nurse specialists, and nurse anesthetists. One in six registered nurses held a master’s degree as of 2022, according to the American Association of Colleges of Nursing and the number of nurse practitioners (NPs) increased by 35.5% between 2019 and 2023, according to Health Resources and Services Administration (HRSA).

Slow wage growth for registered nurses—just 0.51% per year over the past decade—means many will have limited capacity to absorb graduate education costs if federal borrowing limits tighten.

Advanced practice nurses often serve in communities where physician shortages are most severe and are frequently the primary—or only—source of timely primary and preventive care. If fewer nurses can pursue graduate education, these communities could face even greater access barriers, longer wait times, and widening care disparities.

The upcoming public comment period is a pivotal moment for health systems, nursing schools, and clinicians to emphasize how today’s policy choices will shape the future of the nursing workforce.

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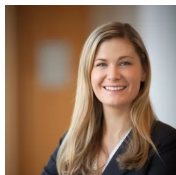
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