



1500 K Street, NW
Suite 900
Washington, DC 20005

Tel: 202.662.8600
Fax: 202.783.0857
www.lawyerscommittee.org

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Tracey St. Pierre
Director, Office of the Executive Secretariat, Office of the Secretary
U.S. Department of Education
400 Maryland Ave., SW
Washington, DC 20202

RE: Document ID ED-2025-OPE-0151-0001

Dear Tracey St. Pierre,

On behalf of the Lawyers' Committee for Civil Rights Under Law, I submit these comments regarding the proposed rulemaking focused on the implementation of statutory changes to Title IV, Higher Education Act programs included in the One Big Beautiful Bill Act (OBBBA). We write to convey our deep concern regarding the newly enacted statutory changes and to urge the Administration to implement comprehensive safeguards to prevent and mitigate likely harm. These safeguards are critical to ensuring that Black people, other people of color, and low-income individuals, who are disproportionately impacted by these provisions, are protected in ways that minimize the impact on their communities.

The Lawyers' Committee for Civil Rights Under Law is a nonpartisan, nonprofit organization, formed in 1963 at the request of President John F. Kennedy to mobilize the nation's leading lawyers as agents for change in the Civil Rights Movement. Today, the Lawyers' Committee uses legal advocacy to achieve racial justice, fighting inside and outside the courts to ensure that Black people and other people of color have the voice, opportunity, and power to make the promises of our democracy real. The Lawyers' Committee implements its mission and objectives by marshaling the pro bono resources of the bar for litigation, public policy, advocacy and other forms of service by lawyers to the cause of civil rights. The Lawyers' Committee strives to guarantee that all students receive equal educational opportunities in public schools and institutions of higher learning. Given the rapidly changing economy and persistent racial inequality, it is particularly important today for the Lawyers' Committee to advocate for policies that make the promise of education a reality while reducing burdens on historically excluded communities.

These new statutory provisions, as explained in more detail below, risk both exacerbating existing barriers and erecting new barriers to higher education, reversing progress, and returning to a time when advanced degrees were only attainable for people from wealthy families. Over the past several decades, the primary pathway to upward mobility for low-income students from all over the country has been to attend college and graduate school. Our country has benefited from

having talented students attend college, even if their parents cannot afford to assist them, because they contribute many times over to our economy and fuel the innovation that is unique to the United States.

Although these changes will be devastating to all low-income students, they will have a particularly negative impact on Black students and other students of color, who often lack generational wealth—and this will further limit their opportunities for upward mobility. In particular, the revised graduate loan financing—imposing loan limits and eliminating Grad PLUS—will disproportionately burden lower-income graduate students and restrict their ability to finance advanced study.¹ Likewise, the elimination of income-driven repayment options in favor of a single Repayment Assistance Plan fails to provide adequate support for low-income borrowers and, in most cases, could increase their monthly payments after graduation.² Additionally, implementation of earnings accountability metrics carry the risk of unintended consequences.

These measures threaten to undermine federal funding for undergraduate and graduate programs that deliver immense societal value but may not lead to high individual earnings, such as education, social work, religious studies, and public service.³ Additionally, these provisions risk opening dangerous loopholes that predatory institutions could exploit, such as granting them access to a new funding stream through workforce Pell while excluding short-term undergraduate certificates from critical accountability metrics.⁴ Such outcomes would ultimately undermine both access to and success in higher education for the populations most in need. As these statutory changes move toward implementation, we urge the Department to develop and publicly share a comprehensive plan to safeguard the ability of Black students, other students of color, and low-income students to access higher education, graduate with minimal debt, and fully participate in and contribute to the broader economy.

Capping Graduate Education Loans and Eliminating Grad PLUS Harms Students

The OBBBA initiates a new cap on graduate borrowing and eliminates Grad PLUS loans. Graduate students have access to two federal lending options in unsubsidized and Grad PLUS loans. In the past, graduate students were able to borrow \$20,500 annually, capped at \$138,500 in aggregate in Direct Unsubsidized Loans to cover their educational expenses. Graduate students

¹ Jason Cohn, How New Federal Student Loan Limits Could Affect Borrowers, URBAN INST. (July 24, 2025), <https://www.urban.org/urban-wire/how-new-federal-student-loan-limits-could-affect-borrowers>.

² Michele Zampini & Ellie Bruecker, A Bad “RAP”: Everything Wrong with House Republicans’ Poorly Designed “Repayment Assistance Plan”, INST. FOR COLL. ACCESS & SUCCESS (May 5, 2025), <https://ticas.org/affordability-2/repayment-assistance-plan-reconciliation-2025/>.

³ Stephanie Hall, How to Finance High Social Value Graduate Training in a New Era of Student Loan Policy, THIRD WAY (July 9, 2025), <https://www.thirdway.org/memo/how-to-finance-high-social-value-graduate-training-in-a-new-era-of-student-loan-policy>.

⁴ Clare McCann et al., Accountability for All Programs: The Senate’s Proposal Needs Change, AM. UNIV.: POSTSECONDARY EDUC. & ECON. RSCH. (PEER) CTR., <https://www.american.edu/spa/peer/accountability-for-all-programs.cfm> (last visited Aug. 21, 2025).

in health professions could qualify for \$40,500 annually in federal Direct Unsubsidized Loans, with a cumulative borrowing cap of \$224,000. When graduate students hit the borrowing cap for unsubsidized loans they could then apply to Grad PLUS loans which were uncapped and covered up to the cost of attendance as determined by a student's respective institution. Under the new provisions there is a new cap on unsubsidized borrowing and an elimination of Grad PLUS loans.

After July 1, 2026, the new provisions only permit incoming graduate students to borrow up to \$20,500 a school year, capped at \$100,000 in total, while professional graduate students will be able to borrow up to \$50,000 a year, capped at \$200,000. Current graduate student borrowers are exempt from these provisions until 2029 but will still be impacted.

Black students borrow \$10,000 more than the average White students, and the average Latino students borrow \$6,000 more than their White counterparts and are more likely to rely on student loans for graduate school.⁵ Additionally, data has shown that Black people, other people of color, and low-income groups don't have the same access to uncounted assets, like retirement savings or home equity, which impacts their ability to pay for college.⁶ Accordingly, the changes to graduate education financing have major implications on access for Black people, other people of color, and low-income people that the Department should take into consideration.

The Department of Education should consider the following issues as part of this rulemaking:

There remains significant confusion regarding the program classification distinctions between "graduate degrees" and "professional graduate degrees." There are no federal definitions that clarify which specific programs are considered professional and which are considered graduate degrees. This clarification is critical, as the classification of a program will now directly impact students' eligibility for federal funding, considering the reduced availability of such funding for certain program categories.⁷ For example, a PhD can be priced at \$49,500 per year with most completing their degrees in four to seven years costing students between \$198,000-\$346,000 on average.⁸ PhD programs are not classified as professional degrees under these new provisions, which means they face lower borrowing caps and lose access to Grad PLUS loans, making it harder for low-income students to afford them. It also remains unclear why certain PhD

⁵ Beth Akers et al., A Framework for Reforming Federal Graduate Student Aid Policy, CENTURY FOUND. (Dec. 8, 2023), <https://tcf.org/content/report/a-framework-for-reforming-federal-graduate-student-aid-policy/>.

⁶ Phillip Levine et al., The Racial Wealth Gap, Financial Aid, and College Access, BROOKINGS (Sept. 27, 2022), <https://www.brookings.edu/articles/the-racial-wealth-gap-financial-aid-and-college-access/>.

⁷ Jessica Blake, Education Dept. Hears From Public About Higher Ed Overhaul, INSIDE HIGHER ED (Aug. 8, 2025), <https://www.insidehighered.com/news/government/student-aid-policy/2025/08/08/education-dept-hears-public-about-higher-ed-overhaul>.

⁸ Chazz Robinson, Q&A: Graduate Education Finance, THIRD WAY (May 8, 2025) <https://www.thirdway.org/blog/q-a-graduate-education-finance>.

programs are excluded from the definition of professional degrees. Making a clear distinction of program classifications could be the difference between a student having access to enough federal dollars to persist or being stopped out due to an inability to fund their schooling.

Additionally, many programs with high societal value but lower average post-graduation earnings, such as those in education, social work, religious studies, and public service require extensive training that lengthens the time to degree and increases students' overall costs. These types of fields often enroll a large percentage of Black students and other students of color.⁹ Under constrained federal borrowing limits due to the new loan caps, these students may be forced into the private loan market or, in the worst case, see their programs shuttered under the new earnings accountability metrics. This could threaten access to fields that are needed in this country while harming students in the process.

Lastly, institutions like Historically Black Colleges and Universities (HBCUs) rely heavily on Grad PLUS loans and now that it is eliminated, there will be a potential funding gap for proven institutions that are doing more with less federal resources.¹⁰ In light of the Administration's stated support for HBCUs, it is imperative to rectify the disproportionate harm that the elimination of the Grad PLUS loans would cause to these institutions and their students.

We encourage the Department to consider the following measures when implementing these new provisions:

- 1) Establish a clear definition distinguishing a graduate degree from a professional graduate degree and create a formal pathway for programs seeking to be designated as a professional degree program. Clear definitions will enable institutions to understand the federal resources available to students and better prepare them to adjust their support strategies accordingly.
- 2) Collaborate with states to identify programs that provide high societal value but yield lower post-graduation earnings and allocate targeted subsidies to ensure the long-term sustainability of these programs. Additionally, the Department should issue guidance that helps states navigate these implications. States may differ on which programs are considered high societal value, and a coordinated effort and guidance from the Department can help mitigate costly confusion.
- 3) Recommend to Congress that a new grant program dedicated to supporting graduate education pathways for low-income students should be created, and, in the interim, to

⁹ Anthony P. Carnevale et al., African Americans: College Majors and Earnings, GEORGETOWN UNIV. CTR. ON EDUC. & THE WORKFORCE (Feb. 9, 2016), https://cew.georgetown.edu/cew-reports/african-american-majors/?utm_source=chatgpt.com

¹⁰ Tiara Moultrie, How HBCUs Have Grown Their Graduate Offerings and Why It Matters, CENTURY FOUND. (May 16, 2025), <https://tcf.org/content/report/how-hbcus-have-grown-their-graduate-offerings-and-why-it-matters/>.



explore using existing statutory authorities to pilot similar initiatives. A new competitive grant could provide an additional funding stream for institutions that are proven to be doing more with less resources to help undeserved graduate students.

Implementing a New Repayment Plan Structure Can Cause Harm

The OBBBA establishes a single, new income-driven repayment (IDR) plan to replace all existing IDR options, while eliminating IDR eligibility for Parent PLUS loans. Student borrowers' lives have been disrupted for the past several years and these changes will possibly create more chaos and confusion if implemented poorly. These changes come at a time when the Department of Education's staff has been reduced by 50%, raising questions about how the Department will meet its statutory commitments.¹¹ Additionally, there have been early reports of students struggling to get clear and timely assistance about repayment given the lack of staff, which could disrupt repayment and leave more students confused about their options. Research shows that these issues of repayment confusion are most likely to impact Black people, other people of color, and low-income people.¹² If not implemented with care, these students will be left in limbo by a system meant to protect them.

We urge the Department to implement these solutions:

- 1) Address federal student aid (FSA) staffing shortages by returning offices to prior Department staffing levels. Current reports make it clear that staff cuts are already harming students from getting access to information and technical assistance.
- 2) Expand targeted support for students and parents by providing plain-language counseling and clear accessible guidance on available repayment options.
- 3) Enhance institutional capacity by providing timely and clear guidance to institutions so they can communicate repayment requirements and options to their students.
- 4) Affirm the continued availability of Income-Based Repayment (IBR) to previous borrowers and ensure adequate staffing and operational resources to maintain the effective administration of the Public Service Loan Forgiveness (PSLF) program.
- 5) Provide extensive guidance and individual outreach to the public that clarifies how and if they are required to transition into the Repayment Assistance Plan.

¹¹ Shahr Ziv, Education Department Slashes Staff By Nearly 50%, Massive Impact On Student Loans, FORBES (Mar. 11, 2025), <https://www.forbes.com/sites/shaharziv/2025/03/11/education-department-to-slash-workforce-by-50what-it-means-for-student-loan-borrowers/>.

¹² Sarah Sattelmeyer, Trapped by Default, NEW AM. (July 27, 2022), <https://www.newamerica.org/education-policy/briefs/trapped-by-default/>.

Fairly Holding Institutions Accountable to Students' Earnings Outcomes

OBBBA will institute a new earnings premium test for all degree programs that looks at the earnings of students who complete programs. As a civil rights organization, the Lawyers' Committee is deeply concerned with Title IV funded institutions charging students high tuition, enrolling them in low quality programs, and leaving them with limited earning potential. Black and Latino students are substantially more likely to be targeted by, and enrolled in, predatory programs that often lure students in with false promises and then leave them with unaffordable loans and unworkable degrees.¹³ Nine out of 10 Black and Latino students who graduated from a for-profit undergraduate degree program had to borrow, and they borrowed at least \$10,000 more, on average, than students attending public colleges. Black students attending for-profit colleges are more than twice as likely and Latino students attending for-profit colleges are more than four times as likely to take out private loans than their peers at other types of colleges.¹⁴

While we welcome accountability that ensures students gain access to a quality education that leads them to a sustainable career, we urge the Department to set principles that consider the varying inequities some institutions and students may face. These principles include:

- 1) Account for the persistent underfunding of minority serving institutions tied to systemic racial inequities.¹⁵ The Department proposes disciplinary actions for institutions whose bachelor's degree graduates earn less than the average high school graduate in their state, and whose graduate students earn less than the average bachelor's degree graduate in their state. While earnings matter, we urge the Department to carefully consider the potential impact on equity-centered institutions defined by law—such as HBCUs, Hispanic-Serving Institutions (HSIs), and Tribal Colleges and Universities—that have long been underfunded. The further underfunding of HBCUs will impact the ability of these institutions to provide adequate resources and career services support to their students and alumni.¹⁶

¹³ Amber Villalobos, Online College Programs Increasingly Put Black and Hispanic Students at Risk, CENTURY FOUND. (Nov. 17, 2023), <https://tcf.org/content/commentary/online-college-programs-increasingly-put-black-and-hispanic-students-at-risk/>

¹⁴ LEADERSHIP CONF. EDUC. FUND, GAINFUL EMPLOYMENT: A CIVIL RIGHTS PERSPECTIVE 2 (2024), <https://civilrights.org/wp-content/uploads/2024/08/GainfulEmploymentPolicyBrief-1.pdf>.

¹⁵ Securing Justice for Maryland's Historically Black Colleges and Universities, LAWS' COMM. FOR C.R. UNDER L., <https://www.lawyerscommittee.org/maryland-hbcus/> (last visited Aug. 21, 2025).

¹⁶ Maria Carrasco, "There's a Realization That Something Has to Be Done": As HBCU Funding Garner More Attention, Experts Hope for Lasting Change, NASFAA (Feb. 28, 2023), https://www.nasfaa.org/news-item/30101/There_s_a_Realization_That_Something_Has_to_Be_Done_As_HBCU_Funding_Garners_More_Attention_Experts_Hope_For_Lasting_Change.



- 2) Consider geographic context when comparing programs. Labor markets, workforce needs, and earnings vary significantly across the country, and more than half of first-year baccalaureate students attend institutions less than 100 miles of home.¹⁷ Using local comparisons when shaping accountability metrics would help ensure that institutional outcomes are assessed considering local economic conditions rather than penalizing schools simply for where they are located.
- 3) Ensure transparency by making all Department data and methodologies readily accessible to both institutions and students. Institutions must understand how data decisions are made, and students deserve the right to know what decisions could affect their educational opportunities and financial futures. This can be done through the support of the financial value transparency regulation and continued support of data systems such as College Scorecard and the Integrated Postsecondary Education Data System (IPEDS).
- 4) Develop an intentional communications strategy to reach historically underserved communities. This should include state and local level visits, town halls, and targeted social media outreach, with messaging tailored to students, school counselors, and parents. A deliberate approach to communication is critical to ensure equitable access to information and to build trust with different communities in the process.

Thank you for the opportunity to provide comments on the latest provisions of the OBBBA. The Lawyers' Committee is committed to ensuring that all people seeking education have access to high-quality opportunities and experiences. We urge the adoption of targeted implementation strategies that account for the full experiences of students nationwide, ensuring that every student can fully exercise their right to a quality education. For any questions or for additional information, please contact Chazz Robinson, Education Policy Advisor, at crobinson@lawyerscommittee.org.

Respectfully,

Chazz Robinson

Chazz Robinson
Education Policy Advisor, Public Policy Project
Lawyers' Committee for Civil Rights Under Law

¹⁷ Ellen B. Stolzenberg et al., *The American Freshman: National Norms Fall 2019*, HIGHER EDUC. RESEARCH INST., UCLA (2020), <https://www.heri.ucla.edu/monographs/TheAmericanFreshman2019.pdf>