

# The Department of Education's Proposed Rule to Define "Professional Student": Frequently Asked Questions

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# The Department of Education's Proposed Rule to Define "Professional Student": Frequently Asked Questions

Title VIII of P.L. 119-21 (also referred to as the *FY2025 budget reconciliation law*) amended the Higher Education Act of 1965 (HEA) to update several aspects of the William D. Ford Federal Direct Loan (Direct Loan) program, which is the single largest source of federal financial assistance to support students' postsecondary education pursuits.

Among other changes, P.L. 119-21 eliminates the availability of Direct PLUS Loans to graduate and professional students in future years and specifies one set of annual and aggregate loan limits for graduate students and a separate set of such limits, in higher amounts, for professional students. In general, these changes are applicable to individuals who, as of June 30, 2026, are not enrolled in a program of study for which they received a Direct Loan. Prior to P.L. 119-21, Direct Loan limits generally did not distinguish between graduate students and professional students, with the exception of certain health professions programs (e.g., Doctor of Allopathic Medicine, Doctor of Dentistry) for which the Secretary of Education invoked previous HEA authority to raise limits because such students were "engaged in specialized training requiring exceptionally high costs of education."

A negotiated rulemaking committee convened to develop proposed regulations to implement the P.L. 119-21 amendments to the Direct Loan program reached consensus on draft regulatory text, including on the definitions of "graduate student" and "professional student." Under the consensus text, "professional student" would be defined as a "student enrolled in a program of study that awards a professional degree," and "graduate student" would be defined as a "student enrolled in a program of study that awards a graduate credential (other than a professional degree)." "Professional degree" would be defined as one that

- indicates completion of the academic requirements for beginning practice in a particular profession and a level of professional skill beyond that typically required for a bachelor's degree;
- is generally at the doctoral level and requires at least six academic years of postsecondary education coursework for completion, at least two years of which must be postbaccalaureate level coursework;
- generally requires professional licensure to begin practice; and
- includes a four-digit program Classification of Instructional Programs (CIP) Code (as assigned by the institution of higher education or determined by the Secretary of Education) in the same "intermediate group" as 11 fields identified in regulation.

The 11 fields in which a professional degree could be awarded, under the consensus definition, are (1) Pharmacy (Pharm.D.), (2) Dentistry (D.D.S. or D.M.D.), (3) Veterinary Medicine (D.V.M.), (4) Chiropractic (D.C. or D.C.M.), (5) Law (L.L.B. or J.D.), (6) Medicine (M.D.), (7) Optometry (O.D.), (8) Osteopathic Medicine (D.O.), (9) Podiatry (D.P.M., D.P., or Pod.D.), (10) Theology (M.Div., or M.H.L.), and (11) Clinical Psychology (Psy.D. or Ph.D.).

The development of the consensus definitions by the negotiated rulemaking committee is one of several steps in the Department of Education's (ED's) rulemaking process to implement amendments made to the Direct Loan program by P.L. 119-21. ED has indicated it will publish the agreed upon language in a forthcoming proposed rule at a future time. At that point, members of the public are to have an opportunity to comment on the proposed language before ED publishes a final rule on the topic.

Based on these definitions, numerous programs of study covering a range of fields would be excluded from the definition of "professional degree." These include, for example, programs of study for architecture, engineering, business, rehabilitation and therapeutic professions (e.g., occupational therapy and physical therapy), and nursing. Thus, students enrolled in such programs would be considered graduate students for purposes of Direct Loan borrowing limits and would therefore have lower borrowing limits compared to individuals who are considered professional students.

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## Introduction

Title VIII of P.L. 119-21 (H.R. 1 in the 119<sup>th</sup> Congress, also referred to as the *FY2025 budget reconciliation law*) amended the Higher Education Act of 1965 (HEA) to update several aspects of the William D. Ford Federal Direct Loan (Direct Loan) program, which is the single largest source of federal financial assistance to support students' postsecondary education pursuits.<sup>1</sup> In FY2024, the U.S. Department of Education (ED), which administers the Direct Loan program, disbursed about \$86 billion in Direct Loans to more than 6.7 million recipients.<sup>2</sup>

Among other changes, P.L. 119-21 eliminated the availability of Direct PLUS Loans to graduate and professional students in future years and updated annual and aggregate loan limits to those students. In doing so, P.L. 119-21 specifies one set of annual and aggregate loan limits for graduate students and a separate set of such limits, in higher amounts, for professional students.<sup>3</sup>

A negotiated rulemaking committee convened to develop proposed regulatory text to implement amendments made to the Direct Loan program recently reached consensus on draft regulatory text, including on definitions of "graduate student" and "professional student."<sup>4</sup> Its consensus definition of "professional student" has been the subject of some controversy. Proponents of the definition argue that it will help limit federal spending on loans to graduate students and potentially cause institutions of higher education (IHEs) to decrease tuition rates for some programs.<sup>5</sup> Opponents argue it may cause students not considered professional students (and therefore subject to the lower graduate student loan limits) to turn to other sources of financing for their postsecondary education such as private education loans, which often do not have the same benefits as Direct Loans (e.g., forgiveness options), or to forgo pursuing advanced degrees altogether.<sup>6</sup>

This report addresses several frequently asked questions regarding the consensus definition of "professional student."

## Background on Direct Loan Types and Limits to Graduate and Professional Students

The HEA authorizes a set of Direct Loans to undergraduate students, a set of Direct Loans to graduate and professional students, and a single Direct Loan type to parents of dependent

<sup>1</sup> For detailed information on Direct Loan terms and conditions in effect before enactment of P.L. 119-21, see CRS Report R45931, *Federal Student Loans Made Through the William D. Ford Federal Direct Loan Program: Terms and Conditions for Borrowers*.

<sup>2</sup> ED, *Federal Student Aid Fiscal Year 2024 Annual Report*, November 14, 2024, p. 17, <https://studentaid.gov/sites/default/files/fy2024-fsa-annual-report.pdf>.

<sup>3</sup> For a description of amendments made to the HEA by P.L. 119-21, see CRS Report R48727, *Amendments to the Higher Education Act Made by P.L. 119-21, the FY2025 Budget Reconciliation Law*.

<sup>4</sup> Transcript of Record at 40, ED, 2025 Negotiated Rulemaking: transcript for Negotiated Rulemaking, Reimagining and Improving Student Education (RISE) (November 6, 2025, afternoon session).

<sup>5</sup> See, for example, ED, "Myth vs. Fact: The Definition of Professional Degrees," press release, November 24, 2025, <https://www.ed.gov/about/news/press-release/myth-vs-fact-definition-of-professional-degrees>.

<sup>6</sup> See, for example, Jessica Blake, "What to Know About Trump's Definition of Professional Degrees," *Inside Higher Ed*, November 26, 2025, <https://www.insidehighered.com/news/government/student-aid-policy/2025/11/26/what-know-about-definition-professional-degree>.

undergraduate students.<sup>7</sup> The maximum amount of Direct Loans an individual may borrow is subject to annual and aggregate borrowing limits. Annual limits cap the amount an individual may borrow in Direct Loans during a single academic year and vary by loan type, borrower characteristics (e.g., dependency status), program level (e.g., undergraduate), and undergraduate class level. Aggregate limits cap the cumulative amount of outstanding Direct Loan and Federal Family Education Loan program loan principal a student may owe in non-PLUS Loans at any one time.

Amendments made by P.L. 119-21 to the types and amounts of Direct Loan program loans individuals may borrow focus primarily on loans to graduate and professional students.

## **What types of Direct Loans currently are available to graduate and professional students and what are the current borrowing limits?**

Currently, all qualifying graduate and professional students are eligible to borrow Direct Unsubsidized Loans and Direct PLUS Loans (Grad PLUS Loans) to finance their postsecondary education.

Under existing policy, the HEA authorizes specific annual and aggregate loan limits for Direct Unsubsidized Loans generally applicable to all qualifying graduate and professional students and generally regardless of field of study (e.g., medicine, engineering, business) or credential level (e.g., master's degree, doctoral degree).<sup>8</sup> However, it also authorizes the Secretary of Education (the Secretary) to set higher annual and aggregate loan limits for graduate or professional students "engaged in specialized training requiring exceptionally high costs of education."<sup>9</sup> Since 1996, the Secretary has authorized higher loan limits under this authority for students enrolled in "certain approved health professions disciplines."<sup>10</sup> Thus, students enrolled in the following health professions programs are eligible for higher Direct Unsubsidized limits: Doctor of Allopathic Medicine, Doctor of Osteopathic Medicine, Doctor of Dentistry, Doctor of Veterinary Medicine, Doctor of Optometry, Doctor of Podiatric Medicine, Doctor of Naturopathic Medicine, Doctor of Naturopathy, Doctor of Pharmacy, Graduate program in Public Health, Doctor of Chiropractic, Doctoral Degree in Clinical Psychology, and Masters or Doctoral Degree in Health Administration.<sup>11</sup>

The HEA does not delineate specific dollar amounts for annual and aggregate limits for Grad PLUS Loans (nor for Direct PLUS Loans to parents of dependent undergraduate students). Rather, it specifies that annual Grad PLUS Loan limits equal a borrower's cost of attendance (COA) minus their expected financial aid (EFA).<sup>12</sup> The HEA does not specify any aggregate loan limits for Grad PLUS Loans.<sup>13</sup>

<sup>7</sup> Additionally, individuals may also borrow Consolidation Loans, which allow them to combine debt from existing qualifying federal student loans into a single, new Direct Loan.

<sup>8</sup> Direct Subsidized Loans were available to graduate and professional students for periods of instruction beginning prior to July 1, 2012. The Budget Control Act of 2011 (P.L. 112-25) eliminated the availability of Direct Subsidized Loans to graduate and professional students for periods of instruction beginning on or after July 1, 2012. Amounts of Direct Subsidized Loans borrowed by graduate or professional students prior to July 1, 2012, are included in the aggregate limits for Direct Unsubsidized discussed here.

<sup>9</sup> HEA §428H(d)(2).

<sup>10</sup> ED, Dear Colleague Letters GEN-05-09 and GEN-08-04.

<sup>11</sup> ED, *2025-2026 Federal Student Aid Handbook*, vol. 8, pp. 38-39.

<sup>12</sup> EFA is the amount of aid anticipated to be available to a student from all sources for a period of enrollment.

<sup>13</sup> HEA §428B(b).

**Table 1** shows the annual and aggregate limits that currently apply to Direct Unsubsidized Loans and Direct PLUS Loans to graduate and professional students.

**Table 1. Current Annual and Aggregate Direct Loan Limits for Graduate and Professional Students**

(by borrower and program type)

Borrower and Program Type	Direct Unsubsidized Loans		Direct PLUS Loans	
	Annual Limit	Aggregate Limit <sup>a</sup>	Annual Limit	Aggregate Limit
Graduate and professional students, in general	\$20,500	\$138,500	Up to COA minus EFA	Not limited
Doctor of Allopathic Medicine				
Doctor of Osteopathic Medicine				
Doctor of Dentistry				
Doctor of Veterinary Medicine	\$40,500 to \$47,167 <sup>b</sup>	\$224,000	Up to COA minus EFA	Not limited
Doctor of Optometry				
Doctor of Podiatric Medicine				
Doctor of Naturopathic Medicine				
Doctor of Naturopathy				
Doctor of Pharmacy				
Graduate in Public Health				
Doctor of Chiropractic	\$33,000 to \$37,167 <sup>c</sup>	\$224,000	Up to COA minus EFA	Not limited
Doctoral Degree in Clinical Psychology				
Masters in Health Administration				
Doctoral Degree in Health Administration				

**Source:** HEA §§428, 428H, 451, and 455; 34 C.F.R. §685.203; and ED, Dear Colleague Letters GEN-05-09, GEN-08-04, and GEN-08-08.

**Notes:** COA: cost of attendance. EFA: estimated financial assistance (i.e., the amount of aid anticipated to be available to a student from all sources for a period of enrollment).

- a. Includes (1) Direct Unsubsidized Loans made to graduate and professional students prior to July 1, 2012; (2) amounts of Direct Subsidized and Unsubsidized Loans borrowed for undergraduate study; and (3) Subsidized Stafford Loans and Unsubsidized Stafford Loans borrowed through the Federal Family Education Loan program.
- b. Students enrolled in applicable programs are eligible to borrow up to \$40,500 annually for programs with a 9-month academic year and up to \$47,167 for programs with a 12-month academic year. Amounts are prorated for 10- and 11-month programs.
- c. Students enrolled in applicable programs are eligible to borrow \$33,000 annually for programs with a 9-month academic year and \$37,167 for programs with a 12-month academic year. Amounts are prorated for 10- and 11-month programs.

## What changes did P.L. 119-21 make to the types and loan limits of Direct Loans available to graduate and professional students?

P.L. 119-21 updates the mix and availability of Direct Loans for periods of instruction beginning on or after July 1, 2026, for all graduate and professional students who, as of June 30, 2026, either (1) are not enrolled in a program of study or (2) are enrolled in a program of study for which they did not borrow a Direct Loan.<sup>14</sup> Specifically, for these individuals, P.L. 119-21 eliminates the availability of Grad PLUS Loans. Thus, the ability of these individuals to borrow Grad PLUS Loans in potentially unlimited aggregate amounts is also eliminated. Also, for these individuals, P.L. 119-21 sets differing annual and aggregate loan limits for graduate students and for professional students.<sup>15</sup> **Table 2** shows the annual and aggregate Direct Loan limits that generally are to apply to graduate and professional students for periods of instruction beginning on or after July 1, 2026, with some exceptions identified in the table notes.<sup>16</sup>

**Table 2. Annual and Aggregate Direct Loan Limits for Graduate and Professional Students As Amended by P.L. 119-21**

(by borrower type)

Borrower Type	Direct Unsubsidized Loans		Direct PLUS Loans	
	Annual Limit	Aggregate Limit	Annual Limit	Aggregate Limit
Graduate Students	\$20,500	\$100,000, <sup>a</sup> or \$200,000 minus amounts borrowed as a professional student <sup>b</sup>	Loan type eliminated	
Professional Students	\$50,000	\$200,000, <sup>c</sup> or \$200,000 minus amounts borrowed as a graduate student <sup>d</sup>	Loan type eliminated	

**Source:** HEA §455(a)(3) and (4).

**Notes:** Amended limits do not apply to individuals who, as of June 30, 2026, are enrolled in a program of study and have received a Direct Loan for that program for the lesser of three academic years or the remaining time to completion of their program of study.

- a. Applies to a graduate student who is not (and has not been) a professional student.
- b. Applies to a graduate student who is (or has been) a professional student.
- c. Applies to a professional student who is not (or has not been) a graduate student.

<sup>14</sup> P.L. 119-21's updates to the mix and availability of Direct Loans do not apply to individuals who, as of June 30, 2026, are enrolled in a program of study and have received a Direct Loan for that program. For such individuals, the previously described loan types and limits apply for their "expected time to credential," which is defined as the lesser of three academic years or the remaining time to completion of their program of study. HEA §455(a)(8).

<sup>15</sup> Information published by the Senate Committee on Health, Education, Labor, and Pensions upon passage of P.L. 119-21 indicates that the bill "caps graduate loans at reasonable levels to lower tuition prices and protect students from drowning in debt" while increasing annual limits on Direct Unsubsidized Loans "for professional students (such as doctors)." U.S. Congress, Senate Committee on Health, Education, Labor and Pensions, "President Trump, Republicans Deliver Historic Wins in One Big Beautiful Bill, Reforming America's Broken Higher Education System," press release, August 1, 2025, <https://www.help.senate.gov/rep/newsroom/press/president-trump-republicans-deliver-historic-wins-in-one-big-beautiful-bill-reforming-americas-broken-higher-education-system>.

<sup>16</sup> P.L. 119-21 also instituted lifetime maximum aggregated limits for most student loan borrowers and on the amount that may be borrowed on behalf of a dependent undergraduate student by their parents. Lifetime maximum aggregate limits cap the total amount of loans an individual may ever borrow, regardless of whether their principal balance is paid down, discharged, or forgiven. In general, these changes are applicable to individuals who, as of June 30, 2026, are not enrolled in a program of study for which they received (or on whose behalf their parents borrowed) a Direct Loan.



- d. Applies to a professional student who is (or has been) a graduate student.

Generally, annual limits on Direct Unsubsidized Loans are to remain the same (\$20,500) for graduate students and are to increase (to \$50,000) for professional students, as compared to limits that are currently in effect.

Whether aggregate limits on Unsubsidized Loans for graduate or professional students effectively increase or decrease will depend on an individual borrower's circumstances, as currently effective aggregate limits take into account amounts borrowed for undergraduate education, and P.L. 119-21's new aggregate limits do not. For example, under the pre-P.L. 119-21 aggregate loan limits, an individual who borrowed \$57,500 as an independent undergraduate student and enrolled in a graduate program of study for which the applicable aggregate limit was \$138,500 could borrow up to \$81,000 (\$138,500-\$57,500) in Unsubsidized Loans for their graduate education. However, if the same individual had instead borrowed \$31,000 as an undergraduate student, under the pre-P.L. 119-21 limits they could borrow up to \$107,500 (\$138,500-\$31,000) for their graduate education. Under P.L. 119-21, because graduate and professional student borrower limits will not take into account amounts borrowed for undergraduate education, the individual in both scenarios could borrow up to \$100,000 for their graduate education, equating to a \$19,000 increase in aggregate limits compared to the former scenario and a \$7,500 decrease compared to the latter.

P.L. 119-21 Section 81001 defines "professional student" as "a student enrolled in a program of study that awards a professional degree [as defined in 34 C.F.R. §668.2 and in effect on the date of enactment<sup>17</sup>] upon completion of the program." 34 C.F.R. §668.2 defines "professional degree" as "a degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required."

34 C.F.R. §668.2 then gives a nonexhaustive list of 10 types of professional degrees: "Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.)."

P.L. 119-21 defines a "graduate student" as "a student enrolled in a program of study that awards a graduate credential (other than a professional degree) upon completion of the program."

P.L. 119-21 did not directly amend the HEA sections that authorize the Secretary to set higher annual and aggregate loan limits for graduate or professional students "engaged in specialized training requiring exceptionally high costs of education."<sup>18</sup> However, based on the other loan limit amendments by P.L. 119-21, it appears that the Secretary's authority to set higher loan limits generally may not apply to Direct Loans for periods of instruction beginning on or after July 1, 2026.

## **Were distinctions in loan limits made between graduate and professional students prior to enactment of P.L. 119-21?**

In general, no. HEA provisions that authorized Direct Unsubsidized Loans and Direct PLUS Loans to graduate and professional students and their loan limits used such terms as "graduate

<sup>17</sup> The current definition of "professional degree" was added to 34 C.F.R. §668.2 in 2007 to "harmonize and consolidate ... definitions for 'graduate or professional student'" found elsewhere in HEA Title IV regulations. ED, "Federal Student Aid Programs," 72 *Federal Register* 62014, November 1, 2007.

<sup>18</sup> HEA §428H(d)(2).



student” and “professional student” but did not specify distinct limits for each group. For example, the HEA states that “in the case of such a student who is a graduate or professional student” the annual Direct Unsubsidized Loan limit will be \$20,500.<sup>19</sup> Thus, the annual and aggregate loan limits for Direct Unsubsidized Loans and Grad PLUS Loans were generally applicable to all qualifying graduate and professional students regardless of field of study or credential level. However, as previously discussed, the Secretary has used HEA authority to extend higher loan limits to individuals in certain postbaccalaureate programs of study with exceptionally high costs, at both the doctoral and master’s degree levels.

## **ED Rulemaking to Implement P.L. 119-21’s Amendments to Loan Limits**

### **How would the consensus language define “graduate student” and “professional student” for purposes of the new loan limits?**

The consensus language from the negotiated rulemaking committee would define “graduate student” as a “student enrolled in a program of study that awards a graduate credential (other than a professional degree) upon completion of the program.”<sup>20</sup> It would define a “professional student” as a “student enrolled in a program of study that awards a professional degree upon completion of the program.”<sup>21</sup>

Integral to both of these definitions is the definition of “professional degree.” The consensus definition of this term would define it as a degree that

- indicates completion of the academic requirements for beginning practice in a particular profession and a level of professional skill beyond that typically required for a bachelor’s degree;
- is generally at the doctoral level and requires at least six academic years of postsecondary education coursework for completion, at least two years of which must be postbaccalaureate level coursework;
- generally requires professional licensure to begin practice; and
- includes a four-digit program Classification of Instructional Programs (CIP) Code (as assigned by the IHE or determined by the Secretary) in the same “intermediate group” as 11 fields identified in regulation.

The 11 fields in which a professional degree may be awarded, as contained in the consensus definition, are (1) Pharmacy (Pharm.D.), (2) Dentistry (D.D.S. or D.M.D.), (3) Veterinary Medicine (D.V.M.), (4) Chiropractic (D.C. or D.C.M.), (5) Law (L.L.B. or J.D.), (6) Medicine (M.D.), (7) Optometry (O.D.), (8) Osteopathic Medicine (D.O.), (9) Podiatry (D.P.M., D.P., or Pod.D.), (10) Theology (M.Div., or M.H.L.), and (11) Clinical Psychology (Psy.D. or Ph.D.).<sup>22</sup>

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<sup>19</sup> HEA §§ 428(b)(1)(A)(v), 428H(d)(2)(A), and 455(a)(3).

<sup>20</sup> ED, Negotiated Rulemaking Session 2, November 3-7, 2025, “#4 Proposed Draft Regulations: Section 685.102 Definitions,” p. 1, <https://www.ed.gov/media/document/rise-section-685102-definitions-november-5-2025-112658.pdf>.

<sup>21</sup> ED, Negotiated Rulemaking Session 2, November 3-7, 2025, “#4 Proposed Draft Regulations: Section 685.102 Definitions,” p. 2, <https://www.ed.gov/media/document/rise-section-685102-definitions-november-5-2025-112658.pdf>.

<sup>22</sup> ED, Negotiated Rulemaking Session 2, November 3 through -7, 2025, “#4 Proposed Draft Regulations: Section 685.102 Definitions,” p. 2, <https://www.ed.gov/media/document/rise-section-685102-definitions-november-5-2025-112658.pdf>.

These 11 fields include those that align with the nonexhaustive list of professional degrees in 34 C.F.R. §668.2, and also specify Clinical Psychology (Psy.D. or Ph.D).

### What is a CIP Code?

The CIP is a “taxonomic coding scheme of instructional programs” that was originally developed in 1980 by ED’s National Center for Education Statistics (NCES).<sup>23</sup> Its purpose is to “facilitate the organization, collection, and reporting of fields of study and program completions.”<sup>24</sup> Per NCES, the CIP is “the accepted federal government standard on instructional program classifications and is used in a variety of education information surveys and databases” such as the Integrated Postsecondary Education Data System (IPEDS) and is the standard on instructional programs used by other federal agencies, such as the U.S. Department of Labor’s Bureau of Labor Statistics.<sup>25</sup> Generally, CIP Codes do not correspond to a specific credential or program level (e.g., bachelor’s degree, postbaccalaureate certificate). Over 2,800 unique fields of study are represented by individual CIP Codes.

The CIP is organized at three levels:

- a two-digit series that is the most general group of related instructional programs,
- a four-digit series that represents the “intermediate” grouping of instructional programs that have similar content and objectives, and
- a six-digit series that represents specific instructional programs and is the most detailed program classification in the CIP.<sup>26</sup>

For example, 51 is the two-digit CIP Code for “Health Professions and Related Programs”; 51.20 is the four-digit CIP Code for “Pharmacy, Pharmaceutical Sciences, and Administration”; and 51.2002 is the six-digit CIP Code for “Pharmacy Administration and Pharmacy Policy and Regulatory Affairs.”<sup>27</sup> An IHE could offer a program of study in pharmacy administration and pharmacy policy and regulatory affairs at any credential level (e.g., bachelor’s, master’s, doctoral).

### What CIP Codes apply to the 11 fields in which a professional degree may be awarded under the consensus definition?

**Table 3** shows a crosswalk of the 11 fields of study in which a professional degree may be awarded and the applicable four-digit (i.e., the intermediate group) CIP Code. These four-digit CIP Codes cover 44 unique programs of study (i.e., 44 six-digit CIP Codes), comprising less than 2% of all fields of study.<sup>28</sup>

<sup>23</sup> ED, NCES, “Introduction to the Classification of Instructional Programs: 2020 Edition, (CIP-2020),” p. 1, [https://nces.ed.gov/ipeds/cipcode/Files/2020\\_CIP\\_Introduction.pdf](https://nces.ed.gov/ipeds/cipcode/Files/2020_CIP_Introduction.pdf) (hereinafter “ED, “Introduction to the CIP””)

<sup>24</sup> ED, “Introduction to the CIP,” p.1.

<sup>25</sup> ED, “Introduction to the CIP,” p. 1.

<sup>26</sup> ED, “Introduction to the CIP,” p. 2.

<sup>27</sup> For additional information on the CIP, including a listing of all CIP Codes, see ED, NCES, “The Classification of Instructional Programs,” <https://nces.ed.gov/ipeds/cipcode/default.aspx?y=56>.

<sup>28</sup> A list of the 44 programs of study is available at ED, “List of Programs (4-digit CIPS)” <https://www.ed.gov/media/document/2025-rise-list-of-programs-4-digit-cips-112622.pdf> and CRS analysis.

**Table 3. Consensus Definition Fields of Study in Which a Professional Degree May Be Awarded and Applicable Four Digit-CIP Codes**

Consensus Definition Field of Study in Which a Professional Degree May Be Awarded	Four-Digit CIP Code
Pharmacy (Pharm.D.)	Pharmacy and Pharmaceutical Sciences (51.20)
Dentistry (D.D.S. or D.M.D.)	Dentistry (51.04)
Veterinary Medicine (D.V.M.)	Veterinary Medicine (01.08)
Chiropractic (D.C. or D.C.M.)	Chiropractic (51.01)
Law (L.L.B. or J.D.)	Law (22.01)
Medicine (M.D.)	Medicine (51.12)
Optometry (O.D.)	Optometry (51.17)
Osteopathic Medicine (D.O.)	Medicine (51.12)
Podiatry (D.P.M., D.P., or Pod.D.)	Medicine (51.12)
Theology (M.Div., or M.H.L.)	Theological and Ministerial Studies (39.06)
Clinical Psychology (Psy.D. or Ph.D.)	Clinical, Counseling, and Applied Psychology (42.28)

**Source:** ED, "List of Programs (4-digit CIPs)" <https://www.ed.gov/media/document/2025-rise-list-of-programs-4-digit-cips-112622.pdf>, and CRS analysis.

## What types of programs of study would be excluded from the definition of "professional degree" under the consensus definition?

Under the consensus definition, a professional degree could be awarded in 44 unique programs of study. All programs of study that do not include one of the four-digit CIP Codes listed in **Table 3** would be excluded. Programs of study that would be excluded from the definition of "professional degree" cover a range of fields. They include, for example, all programs of study under the two-digit CIP Codes for architecture and related services; engineering; and business, management, marketing, and related support services. Excluded fields of study also include, for instance, all programs of study under the four-digit CIP codes for rehabilitation and therapeutic professions (e.g., occupational therapy, physical therapy) and registered nursing, nursing administration, nursing research, and clinical nursing.

## How have terms such as "graduate student," "professional student," and "professional degree" historically been defined and used by ED?

As mentioned previously, prior to enactment of P.L. 119-21, distinctions between graduate and professional students were typically not made for the purposes of student loan limits. Nonetheless, those and similar terms have been used by ED in other contexts. When describing graduate or professional degrees, many of these terms have been defined somewhat similarly and examples or lists of the fields in which a credential may be offered have often been provided. Such lists generally contain references to certain health fields (e.g., medicine, osteopathy) and law, and are often similar.

P.L. 119-21 incorporated the definition of “professional degree” found in 34 C.F.R. §668.2, which applies generally to all HEA Title IV programs (e.g., Direct Loans, Pell Grants). That definition is used, for example, to describe appeals available to IHEs at risk of losing HEA Title IV eligibility due to high cohort default rates.<sup>29</sup>

ED regulations also contain the term “qualifying graduate program,” which is used by ED to identify programs of study for which it will use a longer cohort period when calculating debt-to-earnings rates and earnings premium measures (GE measures) under its 2023 gainful employment regulations.<sup>30</sup> For qualifying graduate programs, ED measures graduates’ earnings six years after their graduation, rather than three years after (which applies to all other programs), to calculate these metrics. ED’s stated rationale for using a longer cohort period for qualifying graduate programs is that graduates of such programs “may have constrained earnings three years after graduation as a result of government imposed postgraduation training requirements” (e.g., medical residencies).<sup>31</sup> In this context, for the first three years for which ED calculates the GE measures, a “qualifying graduate program” is, among other requirements, a “graduate program ... whose students must complete required postgraduation training programs to obtain licensure in one of the following fields: medicine, osteopathy, dentistry, clinical psychology, marriage and family counseling, clinical social work, and clinical counseling.”<sup>32</sup> The definition also provides a mechanism for ED to update the list of qualifying graduate programs every three years thereafter by identifying fields that, among other criteria, lead to a “graduate (master’s, first-professional, or doctoral) degree” and for which graduates are required to complete a postgraduate training program that, on average, takes three or more years to complete.<sup>33</sup>

As a final example, IHEs that participate in the HEA Title IV programs are required to report to NCES’s IPEDS a variety of data on educational offerings, enrollments, and other institutional information.<sup>34</sup> IPEDS “provides basic data needed to describe—and analyze trends in—postsecondary education in the United States.”<sup>35</sup> Prior to the 2010-2011 IPEDS data collection, IHEs were required to report data on enrollment and degrees for students in “first-professional” fields. Since the 1950s and until the 2010-2011 IPEDS data collection, the degree classification for “first-professional degree” was “unchanged in both definition and in the list of included degree programs.”<sup>36</sup> “First-professional degree” was defined as an award that required completion of a program that met specific criteria (e.g., completion of academic requirements to begin practice in the profession). The definition also specified 10 fields in which first-professional

<sup>29</sup> An IHE may appeal a notice of loss of Title IV eligibility if it has a high number of low-income students and offers “an associate, baccalaureate, graduate or professional degree.” 34 C.F.R. §668.194(a). For information on cohort default rates, see CRS Report R47874, *Cohort Default Rates and HEA Title IV Eligibility: Background and Analysis*.

<sup>30</sup> The HEA requires that most nondegree programs offered by public and private nonprofit IHEs and almost all programs offered by proprietary (for-profit) IHEs and postsecondary vocational institutions, regardless of whether they lead to a degree, prepare students for “gainful employment in a recognized occupation.” HEA §§101(b)(1), 102(b)(1)(A)(i), 102(c)(1)(A), and 481(b)(1)(A)(i). Per regulations, ED considers a program to be preparing students for gainful employment if it meets specified debt-to-earnings or earnings premium measures. 34 C.F.R., Part 668, Subpart S.

<sup>31</sup> ED, “Financial Value Transparency and Gainful Employment,” 88 *Federal Register* 70040, October 10, 2023.

<sup>32</sup> 34 C.F.R. §668.2(b), “Qualifying graduate program.”

<sup>33</sup> 34 C.F.R. §668.2(b), “Qualifying graduate program.” ED would use programs’ “credential level and CIP codes” to determine the graduate fields that “may contain qualifying graduate programs.”

<sup>34</sup> HEA §487(a)(17).

<sup>35</sup> NCES, “About IPEDS,” <https://nces.ed.gov/ipeds/about-ipeds> (accessed December 4, 2025).

<sup>36</sup> IPEDS Technical Review Panel #7, “Report and Suggestions from IPEDS Technical Review Panel #7: First-Professional Degree Classification,” May 2004, [https://edsurveys.rti.org/IPEDS\\_TRP\\_DOCS/prod/documents/trp\\_Technical\\_Review\\_04052004\\_26.pdf](https://edsurveys.rti.org/IPEDS_TRP_DOCS/prod/documents/trp_Technical_Review_04052004_26.pdf).

degrees could be awarded: (1) Chiropractic (D.C. or D.C.M.), (2) Dentistry (D.D.S. or D.M.D.), (3) Law (L.L.B., J.D.), (4) Medicine (M.D.), (5) Optometry (O.D.), (6) Osteopathic Medicine (D.O.), (7) Pharmacy (Pharm.D.), (8) Podiatry (D.P.M., D.P., or Pod.D.), (9) Theology (M.Div., M.H.L., B.D., or Ordination), and (10) Veterinary Medicine (D.V.M.).<sup>37</sup>

Beginning with the 2010-2011 IPEDS data collection, the use of the term “first-professional degree” was discontinued. Today, degrees in the 10 fields previously included in the definition of “first-professional degree” are categorized as “doctor’s degree—research/scholarship,” “doctor’s degree—professional practice,” and “doctor’s degree—other,” as applicable. “Doctor’s degree—professional practice” is defined in a manner similar to “first-professional degree.”<sup>38</sup> The IPEDS glossary states the following about Doctor’s-degree professional practice programs: “Some of these degrees were formerly classified as first-professional and may include: Chiropractic (D.C. or D.C.M.); Dentistry (D.D.S. or D.M.D.); Law (J.D.); Medicine (M.D.); Optometry (O.D.); Osteopathic Medicine (D.O.); Pharmacy (Pharm.D.); Podiatry (D.P.M., Pod.D., D.P.); or, Veterinary Medicine (D.V.M.), and others, as designated by the awarding institution.”<sup>39</sup>

## Would undergraduate students’ Direct Loan limits be impacted by the consensus definition of “professional student”?

No, P.L. 119-21 did not amend Direct Loan limits for undergraduate student borrowers and ED does not propose to do so.

## What are the next steps in the rulemaking process?

HEA Section 492 generally requires ED to use a negotiated rulemaking (commonly referred to as *neg reg*) process to develop proposed regulations pertaining to HEA Title IV.<sup>40</sup> In *neg reg*, an agency convenes a committee of stakeholders with the goal of reaching a consensus outcome on the text of a proposed rule.<sup>41</sup> When negotiations are completed, ED then drafts the text of a Notice of Proposed Rulemaking (NPRM), including any consensus language agreed upon by the *neg reg* committee, and publishes the NPRM in the *Federal Register*. At that point, members of the public may submit comments to ED regarding the proposed rule. ED then reviews the comments and considers changes to the proposed rule and may publish a final rule thereafter.

In the current case, ED convened a committee of stakeholders (e.g., individuals representing constituencies such as taxpayers, IHEs, and student loan borrowers) to develop proposed regulatory text to implement amendments made to the Direct Loan program by P.L. 119-21. The committee reached consensus on all potential draft regulatory language on which they were

<sup>37</sup> NCES, IPEDS Data Collection System, Glossary, “First-professional degree.”

<sup>38</sup> At the same time, NCES updated the definition of “master’s degree” to include Theology (M.Div., M.H.L./Rav), which was previously classified as a first-professional degree. NCES, IPEDS Data Collection System, Glossary, “Master’s degree.”

<sup>39</sup> NCES, IPEDS Data Collection System, Glossary, “Doctor’s degree—professional practice.”

<sup>40</sup> For additional information on ED’s HEA Title IV rulemaking process, see CRS Infographic IG10080, *The Rulemaking Process for the Higher Education Act’s Title IV Regulations*.

<sup>41</sup> For purposes of the *neg reg*, consensus meant that no members of the committee dissented. Abstaining was considered the equivalent of not dissenting. ED, 2025 Negotiated Rulemaking, Reimagining and Improving Student Education (RISE), “Committee Protocols,” <https://www.ed.gov/media/document/2025-neg-reg-rise-protocols-112309.pdf>.

negotiating, including on the definitions of “graduate student” and “professional student.”<sup>42</sup> ED has stated that because the neg reg committee reached consensus on the definitions, ED is “required to publish the agreed upon language in its proposed rule.”<sup>43</sup> Thus, it is anticipated that ED will publish an NPRM with the consensus definitions of “graduate student” and “professional student” in the *Federal Register* at a future time. At that point, members of the public are to have an opportunity to comment on the proposed language. ED is to then review the comments and consider changes to the proposed rule before submitting any draft final rule to the Office of Information and Regulatory Affairs for final review and, ultimately, publishing a final rule in the *Federal Register*.<sup>44</sup>

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<sup>42</sup> Transcript of Record at 40, ED, 2025 Negotiated Rulemaking: transcript for Negotiated Rulemaking, Reimagining and Improving Student Education (RISE) (Nov. 6, 2025, afternoon sess.) and ED, Negotiated Rulemaking Session 2, November 3 through 7, 2025, “#4 Proposed Draft Regulations: Section 685.102 Definitions,” <https://www.ed.gov/media/document/rise-section-685102-definitions-november-5-2025-112658.pdf>.

<sup>43</sup> ED, “Myth vs. Fact: The Definition of Professional Degrees,” press release, November 24, 2025, <https://www.ed.gov/about/news/press-release/myth-vs-fact-definition-of-professional-degrees>.

<sup>44</sup> For additional information on the federal rulemaking process in general, see CRS Report RL32240, *The Federal Rulemaking Process: An Overview*.