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Tamy Abernathy
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cc. Assistant Secretary Christopher McCaghren, Office of Postsecondary Education, Department of Education
Secretary Linda McMahon, Department of Education
The Honorable Mike Johnson, Speaker of the United States House of Representatives, U.S. House of Representatives
The Honorable Hakeem Jeffries, Minority Leader, U.S. House of Representatives
The Honorable John Thune, Majority Leader, United States Senate
The Honorable Charles Schumer, Minority Leader, United States Senate

March 2, 2026

**RE: Request to Provide Public Comment on Proposed Rule, Reimagining and Improving Student Education: [Docket ID ED-2025-OPE-0944]
RIN 1840-AD98**

Dear Director Abernathy,

By notice issued on January 30, 2026, the Education Department (ED, or "the Department") has published new rules modifying the terms for eligibility for and implementing financial aid caps under key federal financial student aid programs, including the Graduate PLUS and Parent PLUS loan programs, aiming to restrict access under those programs to a narrow suite of "professional degrees," in attempted fulfillment of new obligations under last year's passage of H.R. 1 (hence, "the Rule"). **Hispanic Federation (HF)** respectfully submits the following comment in response to ED request for comment on the proposed rulemaking, Docket ID ED-2025-OPE-0944; RIN 1840-AD98. Hispanic Federation ultimately urges the ED to rescind the Rule in recognition of numerous likely detrimental consequences stemming from the Rule's narrow definition of those programs eligible for professional status, and to instead recommence Negotiated Rulemaking with nonprofit and professional groups alike to ensure that any rule does not harm American communities by exacerbating obstacles before training in key fields including medicine, education, and social work.

1. **Hispanic Federation Interest in Rule**

Hispanic Federation is a nonprofit membership and advocacy organization with a network of over 850 organizations across the country. HF is committed to empowering and advancing the Hispanic community, with a focus on low-income, marginalized, and immigrant Latines. With programs in more than 40 states and territories, including Puerto Rico, the U.S. Virgin Islands and the District of Columbia, HF's focus areas include immigration, economic empowerment, civic engagement, disaster relief, philanthropy, education, health, and the environment. HF also maintains ongoing immigration advocacy and welcome campaigns and meets the organizational development needs of its member agencies through grant-making and capacity-building assistance.

Per ED's invitation to interested parties to submit relevant written data, views, or arguments on the proposed rule, we address here the Rule's likely harmful consequences on less-affluent students' access to post-baccalaureate degree programs, including in essential fields like nursing or community-oriented services, and the likely resultant downstream harms of that decision on communities and professional groups.[1]

2. Background and Perspectives

A college degree remains one of the most reliable pathways for generational social mobility.[2] Even amid rising tuition costs, statistics from the St. Louis Fed suggest that degrees maintain double-digit returns on investment.[3] Nonetheless, cost is routinely cited as the number one barrier between Latino undergraduate students and degree completion.[4] In turn, federal financial student aid plays a pivotal role in connecting a wide swathe of the potential student population with access to the training that American communities and businesses rely on. Federally-backed loans are an irreplaceable financial apparatus for Latino communities, who are more averse to accumulating student loan debt.[5] Many recent studies demonstrate that this aversion stems from the desire to avoid saddling family members with potential debt should unforeseen circumstances interfere with educational plans.[6] Federal loans, including those the Rule proposes restricting, are trusted and reliable financial instruments, in contrast with private loans which are viewed more skeptically by vulnerable and under-resourced communities, in addition to requiring more robust personal finances and often carrying more expensive loan terms.

In 2016, seventy-four percent of Latino students applied for federal financial aid, almost two-thirds of whom qualified for a Pell Grant.[7] Unfortunately, Pell Grants seldom cover all

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[1] https://www.federalregister.gov/d/2026-01912/p-111
[2] https://www.ssa.gov/policy/docs/research-summaries/education-earnings.html (Accessed 5/2/25); https://www.stlouisfed.org/publications/regional-economist/2023/mar/return-investing-college-education#:~:text=Estimates%20of%20the%20returns%20on,35.9%25%20across%20six%20demographic%20groups (Accessed 5/2/25); https://unity.edu/articles/education-as-social-mobility/ (Accessed 5/2/25)
[3] https://www.stlouisfed.org/publications/regional-economist/2023/mar/return-investing-college-education#:~:text=Estimates%20of%20the%20returns%20on,35.9%25%20across%20six%20demographic%20group (Accessed 5/2/25)
[4] Laura I Rendon, Alicia C. Dowd and Amaury Nora, "Priced Out: A Closer Look at Postsecondary Affordability for Latinos," *Enriching America through the 21st Century: Increasing Latino Postsecondary Completion*, 2012; Kate Sablosky Elengold et al., "Dreams Interrupted: A Mixed-Methods Research Project Exploring Latino College Completion," *Carolina Law Scholarship Repository*, 2021; https://www.pewresearch.org/short-reads/2022/10/07/hispanic-enrollment-reaches-new-high-at-four-year-colleges-in-the-u-s-but-affordability-remains-an-obstacle/ (Accessed 5/2/25)
[5] Kate Elengold, Jess Dorrance, and Robert Agans, "Debt, Doubts, and Dreams: Understanding the Latino College Completion Gap," *Carolina Law Scholarship Repository*, 2020.
[6] For instance, Elengold (2020), Rendon (2012), Tran, Minert, and Llamas (2018.)
[7] UnidosUS, "Latinos in Higher Education: Financing and Student Loans," 4 (March 2019).

outstanding need, leaving students to figure out how to meet the remaining gaps themselves. HF and our partners have long worked to connect students with funding and aid opportunities through programs like CREAR Futuros, with effective results. With Pell Grants still leaving remarkable amounts of unmet need, federally-backed student loans remain a key tool for addressing the largest barrier to degree completion for Latino students – cost.[8]

3. Individual Impacts

H.R. 1 has imposed new caps on federal student loans for graduate education with only a few exceptions for certain professional degrees. Essential health care providers, including nurse practitioners and physician assistants, are not included among these exemptions, risking worsening America's shortage of primary care providers.[9] Hispanic Federation advises the federal government to enact regulatory definitions or legislation expanding the list of exempted degrees to include vital careers like those in front-line health care.

Graduate degrees in public-serving professions are key pathways to economic mobility. Individuals with master's degrees earn significantly more over their lifetimes than those with only bachelor's degrees.[10] While the long-term affordability of student loans has long been of public interest,[11] outright restricting the availability of loans to a narrow segment of borrowers bound for elite degrees (who tend to stem from higher-earning backgrounds)[12] is an overly-aggressive interpretation of the statutory mandates stemming from the underlying legislation and are ultimately likely to inflict harm beyond what Congress intended and what the public can bear. Restricting federal loan eligibility for these pathways would not only limit individual opportunity but also weaken local economies and exacerbate existing workforce shortages.

With research suggesting that "college affordability has now become nearly synonymous with individual debt tolerance,"[13] access to financial aid, including federally-backed student loans for post-baccalaureate degrees, may be the essential determinant of college affordability. The Department proposes implementing the OBBBA's affordability mandate by restricting advanced

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[8] Renón, Dowd, and Nora, "Priced Out," *Enriching America through the 21st Century: Increasing Latino Postsecondary Completion,* 2012.

[9] https://nurse.org/news/one-big-beautiful-bill-nursing-loan-changes/ (Accessed 12/15/25.)

[10] https://www.bls.gov/careeroutlook/2025/data-on-display/education-pays.htm? (Accessed 2/20/26.)

[11] See, e.g., Brent W. Ambrose, Larry Cordell, and Shuwei Ma, "The Impact of Student Loan Debt on Small Business Formation," Philadelphia Federal Reserve, Working Paper No. 15-26, July 2015; Jesse Rothstein and Cecilia Elena Rouse, "Constrained After College: Student Loans and Early Career Occupational Choices," *NBER,* Working Paper 13117, May 2007; Amelia Akhlaghi, "Opportunity Cost of Student Loan Forgiveness: Testing the Impact of Four Policy Options on United States' Economy," Ph.D. Diss.: Claremont Graduate University, 2023; Robert Boznick and Angela Estacion, "Do Student Loans Delay Marriage? Debt Repayment and Family Formation in Young Adulthood," *Demographic Research*, Vol. 30, June 2014.

[12] See, e.g., Douglas Grbic, David J. Jones and Steven T. Case, "The Role of Socioeconomic Status in Medical Schol admissions: Validation of a Socioeconomic Indicator for Use in Medical School Admissions," *Academic Medicine*, Vol. 90, No. 7, 2015; Danielle Holley-Walker, "Race and Socioeconomic Diversity in American Legal Education: A Response to Richard Sander," *Denver Law Review*, Vol. 889, Iss. 4, 2011.

[13] Angela Boatman, Brent J. Evans, and Adela Soliz, "Understanding Loan Aversion in Education: Evidence from High School Seniors, Community College Students, and Adults," *AERA Open,* Vol. 3, No. 1, 2017; Patricia McDonough, Shannon Calderone, Kristan Venegas, "The Role of Trust in Low-Income Latino College Financing Decisions," *Journal of Latino/Latin American Studies*, Vol. 7, No. 2, 2025; 135.

degrees in fields ranging from special education to occupational therapy to social work from the full scope of federal financial student aid.[14] Many of these fields rank among the most common and popular career-oriented advanced degrees that Americans pursue.[15] In turn, the Rule will prohibit millions of Americans from pursuing stable, well-earning careers, including in many fields by which they might qualify for Public Service Loan Forgiveness, thereby obviating repayment-based concerns.[16] In light of millions of Americans who stand to lose access to this vital pathway to educational and career advancement, HF urges the Department to withdraw the Rule.

4. **Community Impacts**

Beyond these consequences to individual pathways to personal advancement, the proposed degree restrictions under the Rule are likely to inflict disproportionate harm on minority and poorer communities. The U.S. faces a growing postsecondary training cliff, with medical professions facing increasingly perilous shortages.[17] As such, care gaps in high needs communities will only grow, and with them the demand for the kind of culturally relevant that nonprofit health care providers offer. It is therefore vital that the U.S. finds a means to ensure that more Americans receive medical educations and training. As average student debt for physicians tops $200,000 and care deserts widen across the country, student loan programs, including GRAD Plus and Parent PLUS offer not only sensible but also essential tools to maintain and expand access to community-based health care.[18] Federal loans are a primary access mechanism for graduate education. National data show that more than half (55%) of Hispanic/Latino graduate students rely on federal loans, and in professional and doctoral programs, more than 92% borrow to finance their degrees.[19] Thus, limiting eligibility would directly reduce access to advanced credentials for Latino students. particularly first-generation and low-income students. In turn, these restrictions would have disproportionate consequences for Latino communities and the public-serving workforce.

The Rule is particularly concerning in light of the plenitude of states which require advanced degrees for professions such as teaching, social work, and physician assistant roles.[20] Furthermore, these fields almost universally required that practitioners either pass professional examinations or otherwise demonstrate knowledge of and ability to adhere to rigorous local

[14] https://www.federalregister.gov/d/2026-01912/p-111
[15] https://bestaccreditedcolleges.org/articles/list-of-degrees.html (Accessed 3/2/26.)
[16] William Cather, Erica Harris, and Miles Romney, "Your Tax Dollars at Work: The Effectiveness of the Public Service Loan Forgiveness Program," *Journal of the American Taxation Association* (2025) 47 (2): 7–22.
[17] https://www.highereddive.com/news/us-faces-shortfall-of-53m-college-educated-workers-by-2032/760155/ (Accessed 9/17/25.)
[18] Davis, Caitlin S et al. "Impact of Service-Based Student Loan Repayment Program on the Primary Care Workforce." *Annals of family medicine* vol. 21,4 (2023): 327-331. doi:10.1370/afm.3002
[19] https://www.equityinhighered.org/indicators/how-students-finance-graduate-education/debt-professional-and-other-doctoral-degree-recipients/
[20] For instance, nearly 20 percent of states require an advanced degree either to secure upper certification or to work in front of a classroom at all. https://teach.com/careers/become-a-teacher/teaching-credential/state-requirements/

requirements.[21] Simultaneously, our country is confronting a meaningful gap in individuals working in these fields. Researchers at Columbia University anticipate the country will face a shortfall of "more than ten thousand" professionals in social-work related professions over the next few years,[22] with similar shortfalls in the projected number of physical therapists.[23] These gaps are expected to be particularly profound in vulnerable communities, including rural and minority-populous regions of the country.[24] Removing loan eligibility while maintaining credential requirements creates a structural barrier: students must obtain graduate degrees but may no longer have access to federal financing to do so. In turn, communities with the greatest need will find themselves subjected to an ever-worsening labor shortage in precisely those fields. Latino communities can expect to see fewer bilingual and culturally responsive teachers, fewer licensed social workers and behavioral health providers, reduced healthcare access in underserved areas, and lower entry into stable, middle-income careers. The absence of these skilled workers will manifest not only through clear shortfalls in service provision, but also decreased wages, exacerbating regional economic inequality. Consequently, Hispanic Federation urges the Department withdraw the Rule and return to negotiated rulemaking.

5. **Sectoral Impacts**

The consequences of the Rule will extend beyond individual borrowers and communities. The United States is already experiencing significant workforce shortages in education and healthcare, in addition to the above referenced shortages in physical therapy and social work. Federal data show persistent teacher shortages nationwide, particularly in high-need subjects areas.[25] Similarly, physician assistant programs report that federal loans are essential to student enrollment, and proposed caps could significantly shrink the workforce pipeline.[26] Likewise, the nationwide nursing shortage is only expected to worsen amid the skyrocketing demand for access to mid-level medical services.[27] While there are demand-driven reasons for the shortages, challenges in workforce environments among such fields has led to high rates of burnout and turnover, hindering retention and concomitant development expertise.[28]

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[21] E.g. the National council Licensure Examination, or NCLEX, for practicing nurses, with a passage rate that hovers around 70 percent each year, demonstrative of meaningful professional requirements. https://www.nurse.com/blog/nclex-pass-rates-understanding-2025-decline/ (Accessed 3/2/26.)
[22] https://socialwork.columbia.edu/news/bridging-gap-urgent-need-social-workers
[23] https://www.apta.org/news/2025/03/04/workforce-forecast-2022-2037 (Accessed 3/2/26.)
[24] See, for instance, Bryan Weichelt, Kasey DeLynn Shakespear, and Tianna Fallgatter, "Rural workforce recruitment and retention factors," *National rural health association policy brief*, March 2025; which reported a two-to-one malrepresentation gap in underserved communities.
[25] https://learningpolicyinstitute.org/product/overview-teacher-shortages-2025-factsheet (Accessed 3/2/26.)
[26] https://www.prnewswire.com/news-releases/new-survey-shows-proposed-federal-student-loan-cap-would-shrink-the-pa-workforce-302679282.html (Accessed 3/2/26.)
[27] https://nursejournal.org/articles/the-us-nursing-shortage-state-by-state-breakdown/ (Accessed 3/2/26.)
[28] Again, Weichelt (2025) is instructive. See also: Audrey Roulston et al., "Promoting Staff Retention in Social Work: Identifying the 'push' and the 'pull' factors from the perspective of newly qualified social workers," *The British Journal of Social Work*, bcaf252, 2025. https://www.nea.org/nea-today/all-news-articles/what-new-survey-says-about-teachers-plans-leave-their-jobs (Accessed 3/2/26).

These obstacles can only be addressed through providing relief to both financial and workplace strain on such workers. With average rates of excess student debt rising[29] and the type of training and education offered by degree-granting programs essential for many nonprofit roles,[30] access to federally-backed student loans across a wide range of career fields is essential to ensuring that the U.S. continues to produce individuals capable of meeting needs in skilled, community-based roles like teaching and social work. Conversely, the Rule would likely drive growing numbers of students to riskier, higher-rate private loans, increasing financial pressure and spurring greater industry turnover. Simultaneously, it will undoubtedly reduce the number of students pursuing these positions from the outset, increasing personal-professional burdens. Consequently, the Rule will render essential industries like education and health care less professionally sustainable and in many cases more dangerous to the detriment of professionals and clients alike.

6. **Objections to Thirty Day Comment Period**

The extremely limited comment period of thirty days that comes after the already abrogated negotiated rulemaking process is unjust and denies the public their right to provide adequate comment. While the ED notes that underlying legislation created a statutory conflict with NPRM and Notice and comment periods,[31] the Department has taken little public effort to support the public right to comment in the wake of this conflict. HF recommends extending the comment period to 60 days considering the strong investment all Americans have in the underlying question of access to professionalized graduate education.

7. **Hispanic Federation Serving Education Initiatives**

Hispanic Federation and its network have been serving immigrants and particularly asylum seekers for decades through programs coordinating legal aid, representation, and culturally and linguistically competent support upon arrival. As an anchor organization, Hispanic Federation has a proven track record of designing and launching national, state-wide, and local-wide-focused educational initiatives, including legal and case management services to vulnerable migrants and asylum seekers. Programs include:

- *Career Pathways:* HF created and implemented this college access and career readiness initiative, offered in Chicago and New York City, to expose high school junior and senior students to the college going process and career exploration by implementing post-secondary exploration curriculum, and internship curriculum, and family engagement guidelines.
- *CREAR Futuros*: While national Hispanic college enrollment and graduation numbers are higher today than ever before, Latino student college enrollment, retention, and graduation rates still lag behind white peers. Hispanic Federation has long considered

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[29] https://www.npr.org/2025/09/05/nx-s1-5521317/millions-of-student-loan-borrowers-are-at-risk-of-defaulting-data-shows (Accessed 9/16/25.)
[30] https://borgenproject.org/10-college-degrees-nonprofit-jobs/ (Accessed 9/16/25.)
[31] https://www.federalregister.gov/d/2026-01912/p-63

post-secondary student success as a major focus of its Education Program. That's why we created CREAR (College Readiness, Achievement, and Retention) Futuros. This peer mentor-based initiative creates a community of care by connecting first year, sophomore, and transfer students in colleges across the country with trained upper-classmen who introduce them to important campus resources (such as financial aid, tutoring, and career counseling) while also providing time-management, stress reduction, and networking support.

- *CREAR Junior – RBC Capital Markets:* HF is working with the Royal Bank of Canada (RBC) on an initiative that is specifically focused on actions to promote the development of NYC high school students' professional, academic, and mental preparedness for college and career. This program provides young students with leadership opportunities and empowers youth to build self-confidence, academic and professional skills. Students develop critical job preparation skills and create professional networks while supporting the college preparation process.

8. **Conclusion**

Federal loan policy should align with the realities of the workforce and community needs. Essential public-serving professions must remain accessible to students who rely on federal financing to enter them. The terms proposed by the Department are overly restrictive and likely to produce numerous downstream consequences deleterious to individuals, vulnerable communities, and indeed entire sectors of the U.S. service economy. It is plausible that these risks would have been more appropriately identified and accounted for were the Negotiated Rulemaking Process permitted to unfold along traditional timelines, providing greater opportunity for community engagement. To that end, Hispanic Federation exhorts the Department to withdraw the Rule and return to negotiated rulemaking to ensure that a shortsighted pursuit of new statutory obligations does not result acute, protracted harm to communities that can least sustain it.

Sincerely,

Julietta Lopez

Julietta Lopez
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Hispanic Federation