

HEAL Question (Submitted by Andy Vaughn)

Hi, I have a question about the old HEAL loan response provided by the Department yesterday:

After further review, this interpretation seems out of scope as OBBB clearly states that the changes to the annual and aggregate loan limits are subject to loans in the HEA. The HEAL loan program is not a part of the HEA, as they were created under the Public Health Service Act, although authority was transferred to ED to operate the HEAL loans effective July 1, 2014.

Authorization to fund the new HEAL loans to students expired on September 30, 1998 and ED added language to 34 CFR 681 on November 15, 2017. Given this, because the program is no longer offering these loans, no future student would be impacted come July 1, 2026, as long as the program is not reauthorized for some reason. Also, the current annual loan limit in the HEAL program is \$20,000 and the aggregate loan limit is \$80,000. If ED wants to apply the new loan limits for borrowers enrolled in professional degree programs (\$200k in the aggregate and \$20,500 annually), these loan limits are much better. However, if ED is trying to replace the loan limits and not allow the potential for future borrowers in health professions to borrow from the HEAL loan program, should the program be reauthorized for any reason, then this is concerning.

Related to the above, but a separate question:

If the old HEAL top up money is determined to end, then we assume that these funds would also use the grandfather or legacy provision that are a part of the regular Direct Stafford and PLUS loans and active students using HEAL top up money as of June 30, 2026 can continue to use these funds through June 30, 2029 or the expected date of completion of their program (whichever comes first). In other words, if it is determined that the old HEAL program is now a part of the Direct loan program (the basis for ED saying that OBBB overrides these and they too will be phased out) then it is logical to apply the legacy status based on this classification to match the legislative text.

Andy Vaughn
President and CEO
Alliant International University