

NINA MOINI: Students taking out loans or tapping into aid for college or grad school will see major changes starting July 1. This comes as part of last year's "One Big Beautiful Bill," which reshaped some social safety net programs, including the federal financial aid system. Here to help us through some of this is Rachel Sherlock. She's the associate director of financial aid at Minnesota State University, Mankato. Thanks for being here, Rachel.

RACHEL Thank you so much for having me.

SHERLOCK:

NINA MOINI: So before we get into the details, as someone who's worked in financial aid for more than a decade, how significant are these changes?

RACHEL These changes are extremely significant for our both undergraduate and graduate students. So I'm really excited
SHERLOCK: that you're having us on the air to share this information so families can plan accordingly.

NINA MOINI: It's one of those things that could sneak up on people maybe if you haven't been paying super close attention. And so I'd love to start with some of the new borrowing limits. What do you think students and parents ought to know?

RACHEL Yeah. So for our undergraduate student population, the borrowing limits really aren't changing as far as the
SHERLOCK: overall amount that they can borrow. So their yearly limits, their lifetime limits aren't changing if they enroll full time. But if a student is looking at going at three-quarter time, half time, they will now notice that their yearly loans are prorated based on the amount of credits that they're attending, which could then change their financial plan.

For graduate students, the yearly loan borrowing limits are staying the same, so a graduate student can still borrow \$20,500 in graduate student loans. But a big change is going to be for standard graduate programs. They are now only eligible to borrow if they are a new borrower, up to \$100,000 in graduate student loans, and the Graduate PLUS loan program will no longer be available.

NINA MOINI: Are you getting questions about this in your role in your office? Are you seeing this having an impact on decisions that students are making?

RACHEL Yeah, I think a lot of folks aren't familiar with it yet, so I would expect a lot more questions are going to come to
SHERLOCK: us in the fall as folks are seeing their financial aid hit their accounts or for individuals who are entering into loan repayment plans.

NINA MOINI: So for students paying off their loans, President Biden's SAVE program will be ending. So there were 7 million people across the country, I'm seeing here, enrolled in the SAVE program. It's one of several repayment programs that are ending. What will this mean for students that are already on repayment programs?

RACHEL Yeah. So if a student was on a SAVE program and now that is ending, that then means that they need to pick
SHERLOCK: a different repayment plan to be able to then cover their loans. This could have a significant financial budgetary decision because it could drastically change how much their monthly payments are. Luckily, there is a loan repayment calculator out on studentaid.gov where they can really play around with the different payment options and see which one fits best for them.

NINA MOINI: So remind us again. New loans taken out, then, July 1 and on, when the changes take effect, what repayment options will be available?

RACHEL SHERLOCK: Yes so new students, so students who have not borrowed loans before, they are going to be limited to two repayment plans. The first one is considered the standard repayment plan, whereas a set monthly amount, and it is tiered anywhere from 10 to 25 years, depending on the amount that the individual borrowed. There is then also a Repayment Assistance Plan, or the RAP plan, and that amount of repayment is going to be based on a percentage of the individual's adjusted gross income. And if the individual is still paying on that loan after 30 years, then the remainder would be forgiven.

NINA MOINI: Are you concerned about how these changes might impact students, and particularly first-generation students?

RACHEL SHERLOCK: I am absolutely concerned about first-generation students, because they don't have the background to know how these changes are going to impact them. And it's not uncommon for a first-generation student to enter into college, be taking full time classes, and then maybe withdraw from a class. Now, what the student may not realize is that by withdrawing from a class, dropping down below full time, that then impacts their yearly loan eligibility, which impacts their ability then to borrow for the upcoming term. So that could prevent them from continuing in college.

NINA MOINI: So moving forward, Rachel, what do you suggest or advise that students do? We're on summer break now, but assuming these changes stay the way they are, it could have implications for their whole college journey, year after year, semester after semester, right?

RACHEL SHERLOCK: Absolutely. So my biggest recommendation to students and families is to connect with their financial aid office. So the good thing about us in financial aid is we do work all year round, even though a lot of our students are not there over the summer. And we love answering questions and helping folks financially prepare for the year ahead because I always say I want students worried about us before school starts. And that way once classes start, they can focus on their classes, their academic success, and less about how they're going to cover the bill.

NINA MOINI: Thanks so much for your perspective, Rachel. We really appreciate it.

RACHEL SHERLOCK: Absolutely. Thank you so much for having me.

NINA MOINI: That was Associate Director of Financial Aid at Minnesota State University, Mankato, Rachel Sherlock. We're going to turn now to Chris Rubesch. He's the president of the Minnesota Nurses Association. He's among those who say these changes to the financial aid system could have a negative impact on the healthcare sector in particular. Thanks for being with us, Chris.

CHRIS RUBESCH: Thanks for having me.

NINA MOINI: I know there is a push to get more people interested in entering the healthcare sector, right, after some staffing shortages and some burnout of recent years. What changes in these federal student loan borrowing programs are you most concerned about?

CHRIS RUBESCH: Well, I'm really concerned about what this is going to do for first-generation students who are attempting to enter the healthcare profession, and nontraditional students who might have a different journey through their healthcare education experience, especially those who might not be able to work full time, might be balancing family or other jobs. This is going to really impact their ability to enter health care as a profession.

NINA MOINI: And what do you think that means for the healthcare industry at large in Minnesota, the ripple effect there?

CHRIS RUBESCH: Yeah, rural communities in Minnesota really rely on these healthcare workers, nurse practitioners, advanced practice professionals. The bulk of patients in rural Minnesota communities get their primary health care through those healthcare workers. And this is going to impact those communities. If we can't train nurse practitioners, advanced practice providers, they're not going to be there to service those communities, and it's going to become a huge barrier for people accessing care locally.

NINA MOINI: What are you hearing from your union members or the people that are trying to plan for maybe continuing education-- they're already in the field-- or people who are interested in entering the field?

CHRIS RUBESCH: We're hearing a lot of concerns. There are already barriers and concerns that people have to entering the healthcare profession. There's a lot of uncertainty around funding and other funding cuts that are also coming along in 2027 with House Bill 1 that the federal government passed. There's, of course, a lot of concerns about mergers and consolidations and just what the future of health care's going to look like. So adding these kind of challenges to students just are making them reconsider whether or not this is a field they want to be in.

NINA MOINI: I understand the state of Minnesota is part of a lawsuit filed by two dozen states against the Department of Education over these changes. What role is MNA playing in this lawsuit?

CHRIS RUBESCH: Well, we are very supportive and appreciative of Attorney General Ellison joining this lawsuit. We met with the attorney general before he joined the lawsuit and of course expressed our concerns. We've also worked with our national union partners, with National Nurses United, representing nurses and healthcare workers across the country who are seeing the same challenges, hearing the same things from their members. So very supportive and appreciative of the attorney general taking this action.

NINA MOINI: And what resources, just lastly, would you point people toward for those who are interested in pursuing a healthcare degree?

CHRIS RUBESCH: Well, MNA, as a union, provides scholarships for nurses, for union workers, for adult learners who are trying to enter the healthcare profession. So that's always an option. Always look to other unions or educational organizations to help with scholarship as well. Those are good options for people to take to join the healthcare profession.

NINA MOINI: All right, Chris, really appreciate your perspective as well. Thanks so much for your time.

CHRIS RUBESCH: Thanks for having me.

RUBESCH:

NINA MOINI: Chris Rubesch is president of the Minnesota Nurses Association.