STUDENT LOAN PROFESSOR

THE STUDENT LOAN PULSE

Student Loan Professor's Dedicated Publication for Students

Your Mid-Year Financial Checkup

BORROWING, CREDIT, AND PLANNING AHEAD

For Current Students

If there is one thing students have learned about paying for graduate and professional education, it is that "I'll figure it out next semester" has a remarkable ability to become "Why is this due next week?"

Between changing federal loan rules, a rapidly expanding private-loan market, and new questions about which programs qualify for higher federal borrowing limits, planning how to pay for school has become nearly as demanding as school itself.

This edition of The Student Loan Pulse is your mid-year financial checkup. We are looking at private loans, the cost of borrowing while you are still enrolled, your credit profile, enrollment decisions, and the steps you can take now to prepare for your next academic year.

We also have a potentially encouraging update for graduate nursing students. But, as usual, the headline only tells part of the story.

Let's dig into what these developments may actually mean for you.

Why Are Private Loans Suddenly Getting So Much Attention?

The answer is simple: some students may no longer be able to cover their entire cost of attendance using federal student loans alone.

In previous years, many graduate and professional students could borrow enough federal aid to cover tuition, fees, housing, and living expenses. As borrowing limits become more restrictive for some students, funding gaps may emerge.

For students facing those gaps, private student loans may become part of the solution.

Private Loans: The Advertised Rate Is Only the Beginning

For years, many graduate and professional students could rely heavily on federal loans to cover their educational expenses. As federal borrowing options become more limited for some students, private loans are becoming a larger part of the conversation.

That does not mean a private loan should automatically be your first choice. It does mean that students who may face a funding gap need to understand the private marketplace before that gap becomes an emergency.

And preferably before an advertisement promising an astonishingly low interest rate follows you across every website you visit.

The Advertised Rate May Not Be Your Rate

Private lenders frequently advertise their lowest available rates. Those rates may be available, but they are generally reserved for borrowers who meet the lender's strongest underwriting criteria.

The offer a student receives can depend on credit history, income, the availability of a creditworthy cosigner, the degree program, repayment selections, and the lender's underwriting requirements.

In other words, the rate at the top of the advertisement is not nearly as important as the rate and terms on your actual offer.

Look Beyond the Interest Rate

Interest matters, but it is not the only feature that affects the cost or usefulness of a private loan. Before choosing a lender, compare:

- The actual interest rate and annual percentage rate offered
- Fixed versus variable interest
- Origination or other fees
- In-school payment requirements
- Deferment options
- Grace periods
- Reduced-payment options after graduation
- Cosigner requirements and release provisions
- Disability and death-discharge provisions
- Repayment terms
- Options specific to your profession or degree program

Some lenders offer features designed for **health professions students,** including periods of reduced payments during residency or other postgraduate training. Those features can be useful for students entering that type of training, but they will not matter equally to every borrower. The right loan should reflect your educational program and expected career path, not someone else's.

Fixed or Variable?

Variable rates can initially appear lower, which is precisely why they are tempting. But a variable rate can change over time.

A fixed rate offers predictability. A variable rate introduces the possibility that your loan could become more expensive before you finish school or repay it.

The lower starting number does not always produce the lower long-term cost.

What About a Cosigner?

A qualified cosigner may improve the likelihood of approval and may help a student receive more favorable terms. But cosigning is not simply a vote of confidence. The cosigner becomes legally responsible for the debt.

Before involving a cosigner, discuss:

- How the loan may affect the cosigner's credit
- Who will make payments
- What happens if a payment is missed
- Whether the lender offers cosigner release
- What must happen before release is available

That may not be the most exciting family conversation, but it is considerably better than having the conversation after a problem occurs.

THE BOTTOM LINE: A private loan should fill a carefully calculated funding gap, not create extra spending money simply because the lender approved a larger amount. Know what you need. Compare multiple offers. Read the terms. Then borrow the minimum necessary to complete your program successfully.

What This Means for Me

- ☑ **Shop around.** The lowest advertised rate may not be the rate you're offered.
- ☑ Before choosing a lender, **compare the actual rate, fees, repayment options, and borrower protections**
- ☑ Know your funding gap first, then **borrow only what you need.**

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DEVELOPING STORY: More Federal Funding for Nursing Students?

Here is the potentially encouraging news.

There have been efforts to classify certain graduate nursing programs as "professional" programs for the purpose of federal student loan limits. If successful, this could allow affected nursing students to access the higher federal borrowing limits available to designated professional-program students, including students in medicine, pharmacy, veterinary medicine, and certain other professional degree programs.

However, movement within the legislative or regulatory process does not make a change final or immediately available to students. **As a result, some nursing students may continue to face funding gaps** and may need to rely on scholarships, savings, employer assistance, or private student loans to bridge the difference.

Why the Classification Matters

Under the federal loan framework, graduate and professional students may be subject to different borrowing limits. That means the classification of a program can directly affect how much federal financing a student can access.

The use of "professional student" in this context is intended to identify programs eligible for federal loan limits. **It should not be interpreted as a judgment about the value of nursing or whether nursing graduates are professionals.**

While the terminology has generated debate, the designation is used solely for federal borrowing-limit purposes.

How Did We Get Here?

Historically, many graduate nursing students could borrow enough federal student loans to cover their educational expenses. However, federal student loan rules changed in 2026, requiring the Department of Education to formally define which fields would be considered "professional degree" programs for borrowing-limit purposes.

When the final rule was released, nursing programs were not included on the Department's list of designated professional programs. As a result, many graduate nursing students became subject to lower federal borrowing limits than students enrolled in medicine, pharmacy, veterinary medicine, and certain other professional programs. The rule took effect on July 1, 2026.

Since then, nursing organizations, schools, and lawmakers have pushed for changes. A congressional proposal has been introduced that would restore professional-program treatment for graduate nursing programs, but that proposal has not yet become law. Legal challenges to the current rule have also been filed, creating additional uncertainty about what the final outcome may be.

Is More Funding Available Now?

Students should be careful here. There is a meaningful difference between:

- A proposal
- An amendment advancing through part of the legislative process
- A court challenge
- A final change that can be used to finance an upcoming term

The possibility of expanded access is worth watching. It could make an important difference for students in advanced nursing programs. But students should not build a funding plan around a possible change until its status and implementation are confirmed.

What Nursing Students Should Do

- Ask your financial aid office which federal borrowing limit currently applies to your program.
- Confirm whether any transition or continuing student provisions apply to you.
- Calculate your funding needs under the rules currently in effect.
- Identify backup funding sources if federal loans do not cover your full cost of attendance.
- Monitor developments, but do not assume proposed changes are guaranteed.

There may be reason for optimism, but there is not yet reason to stop planning.

What This Means for Me (Nursing Students Only)

- ☑ Plan using the federal borrowing limits *currently* available to you, not a proposed change. **If you expect a funding gap, start evaluating alternatives early.**
- ☑ Ask your financial aid office which limits and transition provisions apply to your program.
- ☑ Stay informed as the nursing classification issue develops.

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The Hidden Cost of Borrowing: Loans Could Grow Before Graduation

Many students know approximately how much they borrowed this year. Far fewer know their current total balance.

Those are not always the same number.

Interest on unsubsidized federal loans and most private student loans generally begin accruing while students are still enrolled. Depending on the loan, unpaid interest may later be added to the principal balance.

That means your balance can grow before you even graduate and start your professional career.

Here's What is Happening

Most federal unsubsidized and private student loans begin accruing interest as soon as the funds are disbursed - even while you're still in school.

Consider a student who borrows **$75,000 during their first year** through a combination of federal and private loans with an average interest rate of approximately **7% to 8%**.

By the time that student graduates four years later, that original $75,000 could grow to **nearly $100,000**, adding more than **$20,000 in interest** before repayment even begins.

Now consider that most students borrow additional loans each year of their program. The result is that many graduates leave school owing substantially more than the total amount they originally borrowed.

Understanding how interest accumulates can help you make more informed borrowing decisions, evaluate all financing options carefully, and gain a clearer picture of what your total debt may look like at graduation.

Why This Matters

Many professional students graduate owing substantially more than the total amount they actually borrowed because interest accrues throughout their education.

Understanding this growth can help you:

- Borrow only what you truly need.
- Evaluate private loan options carefully.
- Consider making small in-school interest payments when possible.
- Better estimate your true debt at graduation.

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A Simple Annual Review

At least once during each academic year, make a list of:

- Every federal loan
- Every private loan
- The current balance
- The interest rate
- Whether the rate is fixed or variable
- Whether interest is currently accruing
- The expected repayment start date

This is not intended to create panic. It is intended to prevent surprises. A large balance is easier to address when you understand how it developed and what is causing it to grow.

Should You Pay Interest While in School?

For some students, when possible, making modest interest payments while enrolled can reduce future costs. For many others, preserving cash for required expenses and emergencies is more important. There is no universal answer but keep in mind for federal loans, there could be forgiveness in your future.

Do not make voluntary payments if doing so will force you to use high-interest credit cards for groceries, transportation, or program expenses. Trading student-loan interest for credit-card debt is rarely the financial victory it first appears to be.

What This Means for Me (Nursing Students Only)

- ☑ Know your **current loan balance**, not just how much you originally borrowed.
- ☑ As you plan for future semesters, consider how interest may affect your total balance by graduation.
- ☑ If you can reduce what you borrow without creating a cash shortage, even a small reduction can lower future interest costs.

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Your Spring Borrowing Checkup

For many students, the amount borrowed at the beginning of the academic year was based on an estimate. Now you have actual information.

You know more about your housing expenses, transportation costs, program requirements, and day-to-day spending than you did several months ago. That makes this an ideal time to reassess what you truly need for the next term.

Ask Yourself:

- Do I still need the full amount originally planned?
- Do I have money remaining from an earlier disbursement?
- Have any of my expenses decreased?
- Are there new required expenses I did not anticipate?
- Have I received scholarships, grants, stipends, or other support?
- Can I reduce the next disbursement without creating a cash shortage?
- Am I using borrowed money for costs that could reasonably be reduced?

Returning or declining unneeded funds may not feel nearly as satisfying as seeing extra money in your account, but your future self will thank you.

Borrow Intentionally, Not Automatically

Your school's cost of attendance establishes a borrowing ceiling. It does not establish a spending target. You are not required to borrow the full amount offered simply because it is available. The goal is to borrow enough to complete your education successfully without adding debt that does not support that goal.

What This Means for Me

- ☑ Before accepting your next disbursement, **recalculate what you actually need.**
- ☑ Account for money you already have and any scholarships, grants, or other support.
- ☑ If you don't need the full amount offered, **don't borrow it simply because it's available.**

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Your Credit Profile Matters More Than Ever

Credit may seem like a problem for later time, especially when your attention is focused on exams, clinical requirements, research, or simply getting through the week.

Unfortunately, lenders do not grade on that curve.

Private loan approval and pricing can depend heavily on your credit history. Your credit can also affect housing, transportation financing, utility deposits, insurance costs, and other financial needs during and after school.

Focus on the Fundamentals

- Pay every bill by the due date.
- Keep credit card balances manageable.
- Avoid applying for unnecessary credit.
- Review your credit reports for errors.
- Maintain older accounts appropriately.
- Communicate with creditors before a missed payment rather than after one.

If You May Need a Private Loan Next Year

Do not wait until tuition is due to review your credit. Check your profile early enough to:

- Correct reporting errors
- Reduce revolving balances
- Avoid unnecessary credit inquiries
- Discuss potential cosigner options
- Compare lenders without making a rushed decision

Your credit does not need to be perfect. But knowing what lenders may see gives you time to make informed choices.

What This Means for Me

- ☑ Pay bills on time and keep credit card balances manageable – if not paid off every month
- ☑ Review your credit report **before** you need additional financing.
- ☑ Keep your credit report accurate by disputing any errors. If a private loan may be in your future, give yourself time to address any credit issues before tuition is due.

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Enrollment Changes Can Have Financial Consequences

A leave of absence, reduced course load, withdrawal, repeated academic year, or extension of your program may be necessary for academic, medical, personal, or family reasons.

The decision may be completely appropriate. It can also affect financial aid, loan eligibility, deferment, and the timing of repayment.

Before changing your enrollment, speak with your school's financial aid office and ask:

- Will this change my eligibility for current or future aid?
- Will any funds need to be returned?
- Could my loans go into repayment?
- Will this affect my access to federal loans?
- Will it alter my expected completion timeline?
- What documentation or deadlines apply?

Do not allow financial consequences to stop you from making a necessary academic or personal decision. Just make sure those consequences are part of the planning process.

An enrollment change should not come with a second surprise several months later when a loan servicer suddenly wants to discuss repayment.

What This Means for Me

- ☑ Before making any enrollment changes, contact your financial aid office to understand how a leave of absence, withdrawal, or reduced enrollment may affect your aid.
- ☑ Ask how changes could affect future borrowing eligibility.
- ☑ Confirm whether your loans could enter repayment and consider any financial implications alongside academic and personal needs.

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Build Next Year's Funding Plan Now

The next academic year may feel far away. Financial-aid deadlines have a different opinion.

Building a preliminary plan now gives you time to identify a shortage, improve your credit, pursue scholarships, or discuss family support before you are forced to make a hurried borrowing decision.

Start With Six Numbers

1. Your school's estimated cost of attendance
2. The amount of federal aid you expect to receive
3. Scholarships, grants, institutional aid, or employer support
4. Savings or family contributions available
5. The amount you can reasonably reduce from your budget
6. The remaining funding gap

Only after identifying the gap should you decide whether private financing is necessary.

Putting the Puzzle Together

Here's the basic formula:

FUNDING CALCULATION
Cost of Attendance
Less: Scholarships & Grants
Less: Federal Student Loans
Less: Savings & Family Contributions
= Remaining Funding Gap

Once you know the size of the funding gap, you can determine whether additional funding is needed and what options make the most sense.

Many students skip this step and borrow first. Planning first often leads to borrowing less.

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Funding Should Be a Strategy, Not a Collection of Loans

Your plan may include:

- Federal student loans
- Institutional loans
- Scholarships and grants
- Employer or service-based assistance
- Savings
- Family support
- Private student loans

The question is not simply, "Can I find enough money?"

The better question is, "What combination allows me to complete my education while preserving the greatest amount of financial flexibility?"

Planning ahead can reduce stress and unnecessary borrowing.

What This Means for Me

- ☑ Estimate next year's total cost of attendance.
- ☑ Identify all expected sources of funding so you can calculate any projected funding gap early.
- ☑ Develop your borrowing strategy, including reviewing all of your credit and cosigner options before you need them.

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Making Sense of the Financing Puzzle

Between new borrowing limits, evolving program classifications, private lenders competing for students, and balances growing quietly in the background, paying for an education requires more active planning than it once did.

The good news is that you do not need to predict every policy change. You can:

- Know what you have already borrowed
- Understand what your loans are costing you
- Protect your credit
- Reassess how much you need
- Ask questions before changing enrollment
- Build next year's plan before the deadline arrives
- Compare private loans carefully if a funding gap remains

You cannot control what lawmakers, federal agencies, loan servicers, or private lenders do next. You can make sure their next decision does not catch you completely unprepared.

What This Means for Me

- ☑ You don't need to predict every policy change. Instead, focus on the decisions you can control today.
- ☑ Ask questions so you understand your borrowing options before you need them.
- ☑ Review your credit and loan balances regularly, as small financial decisions made during school can have a lasting impact after graduation.

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Need Help Evaluating a Private Loan?

Student Loan Professor is not a lender.

Our role is to help students and families understand their options, calculate the true funding gap, compare loan features, and approach the private-loan marketplace with a plan.

A private-loan consultation may be helpful if:

- Federal aid will not cover your full cost of attendance
- You are comparing multiple lenders
- You are unsure whether to use a cosigner
- You want help evaluating terms beyond the interest rate
- You need to determine how much to borrow
- You want a strategy tailored to your program and expected career path

We will help you evaluate the available options so you can borrow intentionally, rather than simply accepting the first loan that approves you.

What This Means for Me

- ☑ Understand the amount you actually need to borrow.
- ☑ Look beyond the advertised interest rate.
- ☑ Make borrowing decisions based on a plan, not a deadline.

CLICK HERE TO LEARN MORE ABOUT OUR PRIVATE LOAN CONSULTATION SERVICE