
PUBLIC COMMENT

Docket ID: ED–2025–OPE–0944

U.S. Department of Education

Re: Proposed Rule Implementing Professional-Student Borrowing Caps Under the One Big Beautiful Bill Act (OBBA)

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I. Introduction and Interest of the Commenter

My name is Aaron Kreag. I am a licensed paramedic, disabled U.S. Army combat medic veteran, and mid-career professional who has been accepted to and plans to attend an accredited Doctor of Osteopathic Medicine (DO) program beginning in July 2026.

I submit this comment in my personal capacity to address the Department’s proposed implementation of professional-student borrowing caps under the One Big Beautiful Bill Act. My interest in this rule is direct and substantial, and my comments are offered in good faith to assist the Department in evaluating whether the proposed regulations adequately account for statutory structure, reliance interests, and foreseeable effects on access to professional medical education.

For decades, federal student aid policy has been anchored to the Higher Education Act’s (HEA) definition of **cost of attendance (COA)**. My long-term educational planning, family budgeting, and career transition have relied on the longstanding structure of COA-based federal financing. The Department’s proposed borrowing caps fall far below documented COA for accredited medical programs, creating a structural financing gap that would make medical school inaccessible for students like me — older, disabled, without family wealth, and unable to rely on private credit.

II. Statutory Framework and Textual Constraints

The HEA defines COA at **20 U.S.C. § 1087ll**, including:

- tuition and fees,
- books and supplies,
- room and board,

- transportation, and
- “other necessary expenses.”

The Direct Loan program at **20 U.S.C. § 1087e** operates **within** this statutory structure. Congress has never authorized the Department to:

1. redefine COA,
2. disregard COA for entire categories of programs, or
3. impose borrowing caps that make COA unattainable.

The Supreme Court has repeatedly held that agencies may not “rewrite clear statutory terms to suit their own sense of how the statute should operate.” *Utility Air Regulatory Group v. EPA*, 573 U.S. 302, 328 (2014). Similarly, *Gonzales v. Oregon*, 546 U.S. 243 (2006), and *Brown & Williamson*, 529 U.S. 120 (2000), reinforce that statutory context and structure constrain agency authority.

By setting borrowing caps far below documented COA for medical education, the proposed rule effectively nullifies COA for an entire sector — a result the statute does not permit.

Congress unquestionably possesses the authority to establish borrowing limits, and the commenter does not contend that the One Big Beautiful Bill Act itself is unlawful. Rather, the Administrative Procedure Act requires that when the Department implements statutory caps within an existing statutory financing framework, it must explain how those caps operate in practice, consider reliance interests formed under the prior cost-of-attendance–based regime, and address foreseeable consequences where the new limits predictably fall far below documented cost of attendance for entire categories of programs. The NPRM does not undertake that analysis. Instead, it assumes—without record support—that institutions will reduce tuition and that affected students will secure alternative financing or employment, despite accreditation requirements and market constraints that make those assumptions implausible for professional medical education.

III. APA Requirements and Deficiencies in the NPRM

Under the Administrative Procedure Act (APA), agency action must reflect **reasoned decision making**. *Motor Vehicle Mfrs. Ass’n v. State Farm*, 463 U.S. 29 (1983). The Department must:

- examine relevant data,

- articulate a rational connection between facts and choices,
- consider important aspects of the problem, and
- evaluate reasonable alternatives.

The NPRM does not satisfy these requirements.

A. Unsupported assumption that tuition will fall

The NPRM asserts that reducing federal borrowing authority will pressure institutions to reduce tuition. The rule provides:

- no empirical evidence,
- no causal mechanism,
- no historical support, and
- no enforceable guardrails.

This is insufficient under *State Farm* and *Judulang v. Holder*, 565 U.S. 42 (2011). Agencies may not rely on speculation where evidence is required.

B. Failure to consider reliance interests

As a disabled veteran and mid-career professional, I have structured my educational and financial planning around COA-aligned federal lending. Under *DHS v. Regents*, 591 U.S. ___ (2020), and *Encino Motorcars, LLC v. Navarro*, 579 U.S. 211 (2016), agencies must consider serious reliance interests when altering longstanding policy. The NPRM does not.

C. Failure to consider obvious alternatives

The Department must evaluate less disruptive alternatives. *Michigan v. EPA*, 576 U.S. 743 (2015). A COA-based exception with reporting and audit guardrails is an obvious, less burdensome alternative that the NPRM does not meaningfully analyze.

IV. Post-Chevron Judicial Review and Limits on Agency Interpretation

In **Loper Bright Enterprises v. Raimondo** and **Relentless, Inc. v. Department of Commerce** (2024), the Supreme Court held that courts must exercise **independent judgment** in reviewing agency interpretations. Chevron deference no longer applies.

At most, the Department receives **Skidmore** respect, which depends on:

- thoroughness,

- validity of reasoning,
 - consistency, and
 - persuasive power.
- Skidmore v. Swift & Co.*, 323 U.S. 134 (1944).

The NPRM’s reasoning is not sufficiently thorough or evidence-based to merit *Skidmore* weight.

V. Major Questions Doctrine

Although Congress has authority to establish borrowing limits, the Department’s interpretation and implementation of those limits—without addressing cost-of-attendance displacement, workforce effects, or reliance interests—raises questions of major economic and political significance that require clear congressional authorization and a fully reasoned explanation. The proposed rule has sweeping economic and social consequences:

- It restructures financing for all professional programs.
- It affects access to medical education nationwide.
- It alters the physician workforce pipeline.

Under *West Virginia v. EPA*, 597 U.S. ____ (2022), *NFIB v. OSHA*, 595 U.S. ____ (2022), and *Biden v. Nebraska*, 603 U.S. ____ (2023), agencies may not implement policies of vast economic and political significance without clear congressional authorization.

The Department cites no such authorization.

VI. Medical Education Is Full-Time; Employment Is Not Feasible

Accreditation standards (LCME/COCA) require:

- duty-hour limits,
- fatigue mitigation,
- self-directed learning time,
- clinical responsibilities incompatible with outside employment.

Medical education is a full-time professional training program. The assumption that students can “work to fill the gap” is factually incorrect and legally insufficient.

VII. Distributional Impacts on Veterans, Disabled Applicants, and Older Students

OMB Circular A-4 (2023) requires agencies to analyze distributional effects, including impacts by:

- disability status,
- age,
- veteran status,
- and geography.

The NPRM does not address:

- VA tuition caps under **38 U.S.C. § 3313**,
- restrictions on private-credit access for older borrowers,
- disability-related financial constraints,
- predictable exclusion of nontraditional applicants.

This omission is inconsistent with Circular A-4 and *State Farm*.

VIII. Interaction with VA Statutes and Predictable Access Loss

VA benefits for private institutions are capped at **\$29,920.95** for AY 2025–26. Typical medical-school tuition alone exceeds this amount. When federal borrowing caps are set below COA, the combined effect of VA caps and federal caps creates a predictable, often insurmountable financing gap for veterans.

The Department must analyze these interactions under *Regents* and the APA.

IX. Physician Workforce Implications

AAMC and HRSA project national physician shortages through 2036–2038. Restricting access to medical education — especially for veterans and mid-career entrants who

disproportionately pursue primary care and service-oriented specialties — undermines national workforce needs.

The Department must consider these foreseeable consequences. *State Farm* requires agencies to address important aspects of the problem.

X. Proposed Regulatory Alternative (Federal-Register-Style Text)

Below is a refined, formal amendment to **34 CFR § 685.203**.

Proposed Amendment to 34 CFR § 685.203 — Add Paragraph (j)

§ 685.203 Determining the amount of a Direct Loan.

(j) Cost-of-attendance exception for accredited professional degree programs.

1. General.

Notwithstanding paragraphs (a) through (i) of this section, the Secretary may authorize additional Direct Unsubsidized Loan amounts for a borrower enrolled at least half-time in an accredited professional degree program, in an amount not to exceed the institution-certified cost of attendance (COA) for the applicable loan period, as defined in 20 U.S.C. 1087ll, less estimated financial assistance.

2. Eligibility.

A borrower is eligible for the exception under paragraph (j)(1) if:

- (i) The institution certifies that the additional amount reflects documented COA components consistent with 20 U.S.C. 1087ll;
- (ii) The borrower attests that the borrower lacks reasonable alternative financing on comparable terms and that employment during the loan period is not feasible without material risk to academic progress or required clinical duties; and
- (iii) The program is accredited by a federally recognized accrediting agency for the applicable professional degree.

3. Institutional reporting and safeguards.

As a condition of participation under paragraph (j), an institution must:

- (i) Publicly disclose an annual COA budget with component-level detail;
- (ii) Submit annual program-level reporting to the Secretary on tuition and fee changes, institutional aid, borrowing by source, and completion outcomes; and

(iii) Certify that tuition and mandatory fees have not increased for the purpose of capturing additional Federal aid under this paragraph.

4. Audit authority.

The Secretary may audit COA certifications and may limit, suspend, or terminate use of the exception for institutions that materially misstate COA or fail to comply with reporting requirements.

XI. Conclusion

The proposed rule is inconsistent with statutory text, unsupported by evidence, and vulnerable under the APA's arbitrary-and-capricious standard — particularly in a post-Chevron environment. It creates predictable, structural barriers to medical education for veterans, disabled applicants, and nontraditional students, and undermines national workforce needs.

A COA-based safety valve, paired with transparency and audit guardrails, is a legally sound and policy-responsible alternative.

I respectfully request that the Department revise the proposed rule accordingly.
