



RISE on Hold:

What the Federal Court Stay Means for Colleges and Universities

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Today's Speakers



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Changes Under OBBA

OBBA directed the Department to:

- Establish new annual loan limits
- Distinguish between professional and non-professional graduate programs
- Implement the new accountability framework

Reimaging and Improving Student Education (RISE)



July 3, 2025 → Congress passes OBBA

Sep. 29 – Oct. 3; Nov. 3 – 7, 2025 → Negotiated Rulemaking for RISE Committee

Jan. 30, 2026 → ED issues Notice of Proposed Rulemaking

Jan. 30 – Mar. 2, 2026 → Public Comment period

May 1, 2026 → Final rule issued

May 19, 2026 → First lawsuit filed; second filed on May 21

June 24, 2026 → **Federal court issues Temporary Restraining Order/Stay**

The Court's Decision

AANP v. McMahon & PA Education Ass'n v. ED, Nos. 26-1780, 26-1941 (D.D.C. June 24, 2026, Judge Howell) — Motions GRANTED IN PART and DENIED IN PART

SET ASIDE and STAYED (5 U.S.C. § 705)

- Part (i) of ED's "professional degree" definition in the RISE Final Rule (91 Fed. Reg. 23768, 23882, May 1, 2026; to be codified at 34 C.F.R. § 685.102(b)).
- Preamble supervision requirement (degrees cannot "lead to employment that ordinarily must be supervised by a licensed professional in a different occupation")

Court's Reasoning:

- In part (i), ED "imposed new requirements absent from the preexisting definition adopted by Congress and turned an illustrative list of qualifying degrees into an exhaustive one."
- Congress "explicitly directed the Department to apply the preexisting regulatory definition [the three-part test] as the relevant test."
- ED has "no power to revise the definition Congress codified or to add additional substantive criteria."

Practical effect: Restores original three-part test (2007 regulation) as the operative standard: degree (1) signifies completion of the academic requirements for beginning practice in a given profession, (2) requires a level of professional skill beyond that is normally required for a bachelor's degree, and (3) professional licensure is generally required.

DENIED

- Stay of part (ii) — the enumerated list of 11 fields stands.
- Enjoining statutory loan caps (20 U.S.C. § 1087e(a)(4)).
- Ordering ED to treat PA students as "professional."
- ED's request for stay pending appeal

Court noted ED should determine "in the first instance" which degrees qualify under the three-part test. ED represented determinations could be made "relatively quickly."

Ordered: Joint status report by July 2, 2026 (extended to July 7, 2026) with proposed schedule. Order remains in effect until further order of the Court.

ED Interim Guidance (June 29, 2026)

Electronic Announcement GENERAL-26-42

29 Programs Now Designated as Professional

- Original 11 fields retained (Ph.D Psych left off list)
- Added: Physician Assistant, Physical Therapy, Occupational Therapy, Nursing (MSN, DNP, DNAP), Audiology, Speech-Language Pathology, Anesthesiologist Assistant, Athletic Training, psychology subspecialties

NOT Included

- MBA, Education (M.Ed., Ed.D.), Public Health (MPH), Public Policy/Admin, Non-clinical psychology, Social Work, Counseling, Architecture
- **Many programs not addressed at all — the list was not all-inclusive**

Critical Details for Institutions

- Programs must award the specific degree listed in parentheses to qualify.
- CIP code matching is critical. Institutions must match the specific six-digit CIP code listed. Some institutions may have programs with the same degree name but different CIP codes (e.g., multiple MSN programs) and may need to seek clarification from ED.
- Reporting: Use Professional Grade Level codes (10, 11, or 13) in COD System.
- ED cautions: institutions “may wish to consider... limiting loan amounts to graduate-level caps to mitigate potential disruption.” Designations are interim and may change.

What Should Colleges Be Doing — and Not Doing?

DO

- 11 enumerated fields: Proceed — definitively professional (\$50K/\$200K effective July 1).
- 18 newly added programs: Risk assessment with counsel; ED suggests conservative approach (cap at graduate limits).
- Programs NOT on the list: Consider writing to ED seeking a determination under the three-part statutory test.
- Programs previously rejected by ED in Final Rule preamble: Seek re-evaluation. ED used now-unlawful extra-statutory requirements in those determinations.
- Communicate transparently with students about preliminary nature of ruling for programs using higher limits.
- Programs with same degree name but different CIP code than listed: Seek clarification from ED.
- Monitor for further ED guidance and rulemaking.

DO NOT

- Unilaterally classify programs beyond ED's designated list.
- Promise students specific loan amounts for programs in the 18 newly added category.
- Assume current designations are final. ED has reserved the right to modify its designations.
- Assume a degree name match alone qualifies — must match specific degree AND six-digit CIP code.
- Promise students specific outcomes or timelines.

Possible Next Steps & Risks

Litigation Next Steps

- ED has immediate right to appeal within 60 days (deadline: August 23, 2026).
- ED may also seek a stay of the stay from the appellate court (D.C. Circuit).
- Even if ED doesn't appeal, the preliminary ruling could be overturned at summary judgment.
- Joint Status Report due July 9 with proposed schedule for administrative record and further proceedings.
- Massachusetts (American Nurses Association, et al.) case: Judge agreed with D.C. decision; ED indicated it is actively considering additions to list; supplemental briefing due by July 13.
- Maryland (State Attorney's General) case: Preliminary injunctive relief not sought; ED's answer not yet filed.

Key Risks

- Students may begin programs at higher professional limits only to find midstream they no longer qualify if ruling changes.
- If stay overturned: programs revert to graduate status and students face funding shortfalls.
- ED has reserved the right to modify interim designations as litigation proceeds.
- Compliance/administrative burden of reclassifying programs.
- Reputational risk from changing loan terms mid-year.
- Students may need to find alternative funding.
- Institutions and/or students may need to return excess funds.

Timeline of Key Events

July 2025	Congress enacts the Working Families Tax Cuts Act. Eliminates Grad PLUS; sets professional (\$50K/\$200K) vs. graduate (\$20.5K/\$100K) loan limits; delegates to ED to define “professional degree.”
May 1, 2026	ED publishes RISE Final Rule narrowing "professional degree" to 11 fields with extra-statutory restrictions (doctoral-level, 6-year education, CIP code, exclusive list, free-from-supervision).
June 24, 2026	U.S. District Court (D.D.C., Judge Howell) issues nationwide partial stay — sets aside part (i) of ED's definition and preamble supervision requirement. (Nos. 26-1780, 26-1941)
June 29, 2026	ED issues Electronic Announcement GENERAL-26-42 — interim guidance designating 29 programs as professional degrees during the stay.
JULY 1, 2026	EFFECTIVE DATE — New statutory loan limits take effect; Grad PLUS eliminated. Majority of RISE Rule takes effect as scheduled.
July 1, 2026	Hearing in separate Massachusetts case. Judge indicated agreement with D.C. ruling; government stated it is actively considering additions to approved list.
July 9, 2026	<i>Parties' Joint Status Report due with proposed schedule for further proceedings. [One week extension granted]</i>
Aug. 23, 2026	<i>Deadline for ED to file appeal (60 days).</i>



Questions
