One Big Beautiful Bill Act Changes to Federal Student Aid

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AGENDA

- Parent PLUS Loan Limits
- Grad PLUS Loan Program Elimination
- Professional Student Definition and Loan Limits
- Other Provisions
  - Pell Grant eligibility
  - Loan Proration

PARENT PLUS LOAN CHANGES

- Periods of enrollment beginning on/after July 1, 2026
- $20,000/year/student
- $65,000 aggregate limit/student
- Incoming students and new borrowers

LEGACY PROVISION

PARENT PLUS

- Enrolled in a program of study as of June 30, 2026
- Direct Loan made prior to July 1, 2026
- PLUS up to COA
- During expected time to credential
  - max of 3 years

LOSING LEGACY PROVISION

PARENT PLUS

- Ceasing enrollment:
  - withdraw
  - leave of absence
  - transfer to another school
- Still enrolled beyond expected time to credential or 3 award years
- Transitioning into a new degree program
  - A student who changes majors within the same undergrad degree will be considered to be enrolled in the same program of study

EXAMPLES

SCENARIO 1

What is this student's Parent PLUS Loan limit:

$20,000 or up to Cost of Attendance, minus other aid received?

- Undergrad
- Dependent
- Fall 26 New admit

EXAMPLES

SCENARIO 1

What is this student's Parent PLUS Loan limit?:

Answer: $20,000

- Undergrad
- Dependent
- Fall 26 New admit

EXAMPLES

SCENARIO 2

What is this student's Parent PLUS Loan limit:

$20,000 or up to Cost of Attendance, minus other aid received?

- Undergrad
- Dependent
- Third year in 26/27
- Subsidized Federal Student Loan borrowed at same school in 25/26 AY

EXAMPLES

SCENARIO 2

What is this student's Parent PLUS Loan limit:

Answer: up to Cost of Attendance, minus other aid received

- Undergrad
- Dependent
- Third year in 26/27
- Subsidized Federal Student Loan borrowed at same school in 25/26

GRADUATE PLUS LOAN CHANGES

- Periods of enrollment beginning on/after July 1, 2026
- Loan program eliminated

LEGACY PROVISION

**GRAD PLUS*

- Enrolled in a program of study as of June 30, 2026
- Direct Loan made prior to July 1, 2026
- PLUS up to COA
- During expected time to credential
  - max of 3 years

LOSING LEGACY PROVISION

**GRAD PLUS*

- Ceasing enrollment:
  - withdraw
  - leave of absence
  - transfer to another school
- Still enrolled beyond expected time to credential or 3 award years
- Transitioning into a new program
  - a student who changes concentrations but remains within the same 4-digit CIP code would be considered to be enrolled in the same program of study

PROFESSIONAL STUDENT LOAN LIMIT

- 11 Professional programs defined by Dept. of Ed have access to higher Unsubsidized Loan limits
- 4 digit CIP code required

Professional student program example & CIP code:

- ***Pharmacy (Pharm.D.)*** *(51.20)*
- ***Dentistry (D.D.S. or D.M.D.)*** *(51.04)*
- ***Veterinary Medicine (D.V.M.)*** *(01.08)*
- ***Chiropractic (D.C. or D.C.M.)*** *(51.01)*
- ***Law (LL.B. or J.D.)*** *(22.01)*
- ***Medicine (M.D.)*** *(51.12)*
- ***Optometry (O.D.)*** *(51.17)*
- ***Osteopathic Medicine (D.O.)*** *(51.12)*
- ***Podiatry (D.P.M., D.P., or Pod.D.)*** *(51.12)*
- ***Theology (M.Div. or M.H.L.)*** *(39.06)*
- ***Clinical Psychology (Psy.D. or Ph.D.)*** *(42.28)*

Other programs may qualify as professional; see definition in regulatory text agreed to by consensus.

PROFESSIONAL STUDENT LOAN LIMIT

- Periods of enrollment beginning on/after July 1, 2026
  - incoming students or continuing non-borrowers

- **$50,000** in Unsubsidized Loan funds per academic year (non-professional programs have a $20,500 limit per academic year)

EXAMPLES

SCENARIO 1

What is this student's Unsubsidized Loan limit:

$20,500 or $50,000?

- Law JD
- Fall 26 New admit

EXAMPLES

SCENARIO 1

What is this student's Unsubsidized Loan limit?

Answer: $50,000

- Law JD
- Fall 26 New admit

EXAMPLES

SCENARIO 1

What is this student's Graduate PLUS Loan limit:

$0 or up to COA minus other aid received?

- Law JD
- Fall 26 New admit

EXAMPLES

SCENARIO 1

What is this student’s Graduate PLUS Loan limit?

Answer: $0

- Law JD
- Fall 26 New admit

EXAMPLES

SCENARIO 1

What is this student's Unsubsidized Loan limit:

$20,500 or $50,000?

- Grad student in Music
- Admitted Fall 25
- Borrowed Unsub in 25/26 at same school

EXAMPLES

SCENARIO 1

What is this student's Unsubsidized Loan limit?

Answer: $20,500

- Grad student in Music
- Admitted Fall 25
- Borrowed Unsub in 25/26 at same school

EXAMPLES

SCENARIO 1

What is this student's Graduate PLUS Loan limit:

$0 or up to COA minus other aid received?

- Grad student in Music
- Admitted Fall 25
- Borrowed Unsub in 25/26 at same school

EXAMPLES

SCENARIO 1

What is this student's Graduate PLUS Loan limit?

Answer: up to COA minus other aid received

- Grad student in Music
- Admitted Fall 25
- Borrowed Unsub in 25/26 at same school

PELL ELIGIBILITY

- Students can no longer receive Pell Grant if Student Aid Index exceeds twice the Maximum Pell Grant
- For 2026-27, if SAI is greater than 14,790, no Pell

LOAN PRORATION

$$\left(\frac{number\ of\ credit\ hours\ enrolled\ for\ academic\ year}{number\ of\ credit\ hours\ considered\ full\ time\ for\ that\ academic\ year\ for\ the\ program\ of\ study}\right) X\ 100$$

$$= reduced\ annual\ loan\ limit\ percentage\ \text{(rounded to nearest whole percentage point)}$$

- Federal student loans (not Parent PLUS) will be reduced according to credit hour enrollment for students enrolled less than full time
- Example: 9 credits in fall + 9 in spring = 18 credits/24 credits in the academic year x 100 = 75%
- 75% of $5500 loan eligibility = $4125

Questions?

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- Resource Document via email