

# 2026-2027 Loan Changes

On July 4, 2025, the One Big Beautiful Bill Act was signed into law, resulting in significant changes to federal student aid programs. An overview of the changes is provided below and guidance from Federal Student Aid will be shared here as it becomes available. Refer back to this page for updates.

## What is changing for the 2026-2027 aid year:

- Graduate PLUS Loans will no longer be available for new borrowers
- Students who have borrowed a Federal Unsubsidized Loan and/or a Graduate PLUS Loan but start a new program after July 1<sup>st</sup> will not be eligible for the PLUS loan in their new program.
- Graduate students will be limited to a Direct Unsubsidized Loan with:
  - o Annual limit: \$20,500
  - o Aggregate limit: \$100,000

## **One of the most important changes under OBBBA is the requirement that federal loan eligibility must be prorated based on a student's enrollment status:**

- Students enrolled less than full-time (-12 credits Graduate and -7 credits Doctoral) will have their annual loan limits reduced proportionally based on the percentage of the full-time enrollment. Federal student loan amounts must be prorated based on the number of credits a student is registered for. If a student does not attend full-time, they are not eligible for the full annual loan limit.
- For example, a half-time student (6 credits Graduate and 5 credits Doctoral) will receive only 50% of their annual loan limit.

**This change affects both returning and new borrowers** and replaces prior practice where less than full-time enrollment might not have reduced loan eligibility the same way.

## Changes to Federal Student Loan Repayment Plans

### **Effective July 1, 2026**

Borrowers with new loans made on/after July 1, 2026, can be repaid only using the two new plans below, and all loans must be on the same plan. Current borrowers with no new loans may continue in an existing plan or switch to one of the new plans.

## **Standard Repayment Plan**

- Fixed repayment terms of 10, 15, 20, or 25 years, based on the amount borrowed
- Borrowers with new loans will be assigned accordingly if another plan is not selected

## **Repayment Assistance Plan**

- Monthly payment will be 1-10% of income based on adjusted gross income
- Minimum monthly payment is \$10

Other rules may apply to consolidation loans. More information can be found on [Student Loan Repayment](#). All borrowers are encouraged to find their federal student loan servicer by logging in at [Federal Student Aid](#). The servicer will handle billing and work with borrowers to determine their repayment options.

## **What Is Not Changing**

While some aspects of federal loan eligibility are changing, several important programs will continue.

- **Federal Direct Loans** will remain available to eligible students.
- **Legacy Graduate PLUS Loan eligibility** may continue for some current students, provided they:
  - Borrowed a federal loan (such as a Direct Unsubsidized Loan) in their current program of study **prior to July 1, 2026**, and
  - Remain enrolled in the same program of study.
- **Legacy loan limits for graduate students**  
For students eligible under legacy provisions, the prior aggregate loan limit of \$224,000—which includes both undergraduate and graduate borrowing provided they:
  - Borrowed a federal loan in their current program of study prior to July 1, 2026 and
  - Remain enrolled in the same program of study

### **All legacy provisions are limited to the shorter of:**

- The remaining length of the program, or
- Three additional years.

For many students — particularly those enrolled full time — there may be little or no immediate impact.

We will continue to provide students with an **anticipated loan amount** as part of the financial aid process based on expected enrollment.

- Final loan eligibility is confirmed after course registration and review of cost of attendance.
- For some students, loan eligibility may look different than in prior years.
- For others, eligibility may remain largely the same.