

The One Big Beautiful Bill Act (OBBBA) was signed into law on July 4, 2025.

Important updates you need to know.

The OBBBA introduces several changes to financial aid that affect all student types, including prospective, undergraduate, and graduate students.

Changes include limits and requirements for federal loans, repayment options for new and current borrowers, and Pell eligibility calculations.

The Office of Student Financial Aid is closely monitoring the changes and their implementation. We will continue to update this resource as information becomes available.

Loans

All loans are now prorated for students with less than full-time enrollment (FTE)

(Student Type – Undergraduate 12 or more, Graduate 9 or more)

New Caps for Loan Totals

Parent PLUS

- **\$20,000** per year per dependent student
- **\$65,000** aggregate limit per dependent student (without regard to amounts forgiven, repaid, canceled, or discharged).

Legacy Provision: If the student or parent borrower has a Federal Direct Loan made before July 1, 2026, while the dependent student is enrolled in a program of study, the parent can continue to borrow under current loan limits for 3 academic years or the remainder of their dependent student's expected time to credential, whichever is less.

Graduate

- **\$20,500** per year for graduate students, with an aggregate limit of **\$100,000**.
- **\$50,000** per year for professional students, with an aggregate limit of **\$200,000**.

Lifetime

- Lifetime borrowing (across undergraduate and graduate education) is capped at **\$257,500** on all federal student loans except for Parent PLUS. Legacy Provision: If a borrower has a Federal Direct Loan made before July 1, 2026, while enrolled in a credentialed program, the borrower can continue to borrow under current loan limits for 3 academic years or the remainder of their expected time to credential, whichever is less.

Graduate PLUS Loans

- **Graduate PLUS loans have been eliminated.**
 - There is a legacy provision for current borrowers (those who borrowed a Graduate PLUS loan before July 1, 2026, while enrolled in a credentialed program), who can borrow from the Grad PLUS program for three academic years or the remainder of their program, whichever is less.

Pell Eligibility

The following changes go into effect July 1, 2026, meaning they will begin applying in the 2026-27 award year.

New Factors for Pell Eligibility

- **Now considered:**
 - Foreign Income
 - Now included in the Adjust Gross Income used to calculate Pell Grant eligibility
- **No longer considered:**
 - Small businesses
 - Those with no more than 100 full-time employees that are owned and controlled by the family
 - Family-owned farms where the family resides
 - Family-owned commercial fisheries
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- **Who is no longer Eligible:**
 - Students whose SAI exceeds twice the maximum Pell Grant award
 - The maximum Pell Grant is currently \$7,395, meaning a student with an SAI of 14,790 or more is ineligible for the Pell Grant.

- Students receiving scholarships that cover the full cost of attendance

Contact the Financial Aid Office with Questions

(Chantel –the “Contact US” link should be active once accessed)

Read the full breakdown of the changes from the National Association of Student Financial Administrators

[https://www.nasfaa.org/uploads/documents/Federal Student Aid Change OB3.pdf](https://www.nasfaa.org/uploads/documents/Federal_Student_Aid_Change_OB3.pdf)