

Financial Aid Changes Effective 2026-2027

On July 4, 2025, HR 1 – Public Law No. 119–21, informally called the “Big Beautiful Bill” or OBBB (One Big Beautiful Bill), was signed into law. This legislation brings significant changes to how higher education is financed.

Below is a summary of the key updates expected to take effect for the 2026-2027 academic year.

Key Changes (Effective 2026-2027):

- Graduate PLUS Loans phased out
- New borrowing limits for graduate/professional students
- Updated Parent PLUS Loan limits
- New federal loan repayment structure

The Department of Education is in the process finalizing the regulations. The information provided here reflects preliminary direction from the National Association of Student Financial Aid Administrators (NASFAA), which is working closely with the Department to clarify policy details. Final interpretations may change once official updates are issued.

Student Loan Changes for the 2026-2027 Academic Year

Federal Direct Graduate PLUS Loans Being Discontinued

Beginning July 1, 2026, new graduate students will no longer be able to borrow Federal Direct Graduate PLUS Loans.

Students who were enrolled in a graduate program for the 2025-2026 year or earlier may continue to borrow Graduate PLUS Loans for up to three additional years (2026-2027 through 2028-2029), or **until they complete their current program** – *whichever comes first*.

Eligibility for continued Graduate PLUS borrowing will end if students:

- Change degree levels (master’s to doctoral)
- Change programs or fields of study
- Change concentrations within the same degree
- Do not remain continuously enrolled

To qualify for the three-year extension, a student must have received at least one **Direct Loan** (Unsubsidized or Graduate PLUS) during or before 2025-2026.

New Unsubsidized Graduate Loan Limits

Effective July 1, 2026 (excluding undergraduate loan amounts):

	Annual (academic year) Limit	Aggregate (lifetime) Limit
Graduate Students	\$20,500	\$100,000

Parent PLUS Loan Limits

Undergraduate Subsidized and Unsubsidized loan limits remain unchanged. However, Parent PLUS Loans for dependent undergraduates will have new limits:

- Annual Limit: \$20,000
- Aggregate Limit: \$65,000
- Effective July 1, 2026

Parents who borrowed Parent PLUS Loan in 2025-2026 or earlier* may continue under the current (higher) limits for up to three more years – through 2028-2029 or until their student graduates, whichever comes first.

Students lose extended eligibility if they have any gap in enrollment during those three years. For example, if a student is enrolled through fall 2027, but does NOT enroll in spring 2028, they would not be eligible for 2025-2026-level limits when returning to their program in fall 2028.

**Limited guidance provided thus far indicates that undergraduate students will remain eligible for legacy provisions if they change their major.*

Part-Time Enrollment and Loan Eligibility

Starting in 2026-2027, Federal Direct Loans **must be prorated** for students enrolled less than full-time.

Changes to Federal Loan Repayment

For loans disbursed after July 1, 2026:

- All income-driven repayment plans will be replaced by a new **Repayment Assistance Program (RAP)**.
- Borrowers may choose RAP or a standard 10-year or 25-year repayment plan.

For loans disbursed **before July 1, 2026**:

- Borrowers may remain in existing income-driven repayment plans (IBR, PAYE, SAVE) if **they enroll by June 30, 2028**.
- Those who do not enroll by this deadline will be moved to RAP.

Borrowers should contact their loan servicer or review guidance from Federal Student Aid regarding repayment options.

Pell Grant Changes

Current College of Nursing programs are not impacted by the recent changes to Pell grant eligibility.

Updated Information

The College of Nursing will continue to monitor legislative changes and will update this information as official guidance from the Department of Education becomes available.

Thank you for your patience as we work to interpret and share new developments with our students!

Resources

- [Federal Student Aid *One Big Beautiful Bill Act* Updates](#)
- [Who's My Student Loan Servicer?](#)