

What's Changing with Federal Loans? (Starting July 1, 2026)



Beginning **July 1, 2026**, federal student loan changes will impact loan availability and borrowing limits. Students and families should review these updates carefully before making borrowing decisions.

Parent PLUS Loan Borrowers

New-Borrower Limits:

- For any borrower not meeting the ***limited expectation rule*** by **July 1, 2026**
 - \$20,000 per student per year (annual limit)
 - \$65,000 per student total (aggregate limit)

Important: Borrowing the maximum each year may exhaust eligibility before a student completes a four-year degree. Planning loan amounts across all years is recommended.

- $\$65,000 / 4 \text{ years} = \$16,250$ annual borrowing to stay within aggregate limit

*** Limited Exception for Current Students (Legacy/Grandfather clause):**

Parents may temporarily avoid the new loan limits (for up to 3 years) and still be able to borrow up to the total cost of attendance if:

- The student remains continuously enrolled in the same program and school **as of June 30, 2026**, AND
- Either:
 - A Parent PLUS Loan was borrowed before July 1, 2026, OR
 - The student borrowed a Direct Loan (Subsidized or Unsubsidized) before that date

Eligibility for the limited exception ends after:

- 3 academic years, OR
- Graduation or loss of continuous enrollment

Additional Considerations:

If borrowing limits are reached or are not enough to cover costs, families should explore:

- External/Outside scholarships
- Payment plans
- Private loans

For **QUESTIONS**, please contact the Financial Aid Office

Graduate Students

Loan Availability and Limits:

- The **Graduate PLUS Loan program will be eliminated**, except for a limited, temporary exception.
- The Direct Unsubsidized Loan annual limit remains **\$20,500**.
- New borrowing caps:
 - **\$100,000 total (aggregate)** for graduate Direct Unsubsidized Loans
 - **\$257,500 lifetime limit** for all federal Direct Loans (excluding PLUS loans)

Limited Exception to Grad PLUS Elimination:

Graduate students may continue borrowing Grad PLUS Loans (for up to 3 years) if:

- Enrolled in the same program at the same institution **as of June 30, 2026**, AND
- Received a Direct Loan (Unsubsidized or Grad PLUS) for that program **before July 1, 2026**

Students who qualify:

- May continue accessing Grad PLUS loans temporarily
- Are not subject to the new aggregate and lifetime limits during that period

Loss of eligibility occurs after:

- 3 academic years, OR
- Graduation, withdrawal, or enrollment interruption

Additional Considerations:

- Borrowing **before July 1, 2026**, may help preserve eligibility, but should be carefully evaluated. Not everyone will be able to do this.
- Part-time enrollment in 2026–27 or later will require prorated (reduced) loan amounts.
- Students needing additional funding should explore:
 - External/Outside Scholarships
 - Payment plans
 - Private loans

For **QUESTIONS**, please contact the Financial Aid Office