One Big Beautiful Bill Act (New Regulations)

Legislation recently enacted by Congress, referred to as the One Big Beautiful Bill Act (OBBBA), will implement substantial modifications to federal financial aid, effective the 2026–2027 academic year, starting July 1, 2026. The OBBBA introduces various changes that will impact all categories of students, including prospective, undergraduate, and graduate individuals.

The modifications include limitations and requirements related to federal loans, revised repayment options for both existing and forthcoming borrowers, and adjustments to Pell Grant eligibility criteria. We recognize that these changes may raise questions and concerns, as well as influence personal financial decisions.

The Office of Financial Aid is diligently monitoring guidance from the U.S. Department of Education and will disseminate more detailed information as it becomes available. We are committed to providing support to students and families throughout this transition and remain at your service to assist you.

1. Changes to Pell Grant Eligibility

1) Starting in the 2026–27 academic year, students will no longer be eligible for a Pell Grant if their Student Aid Index (SAI) is greater than twice the maximum Pell award for that year. An applicant with an SAI equal to or greater than $14,790 for the award year are ineligible for a Pell Grant.
2) Pell award amounts will continue to vary based on income and family size, but there is now a firm cutoff tied to the annual Pell maximum.
3) Students who receive grants or scholarships from non-federal sources(Institutional /Private scholarship, Cal Grant etc.) covering their entire COA are ineligible to receive a Pell Grant, even if otherwise eligible for the program.

2. Changes to Federal Direct Loans

1) Applies to all students with new loans as of July 1, 2026. Eligibility for part-time students will be prorated based on enrollment status according to the student's academic level. An undergraduate student is considered full-time when enrolled in 12 or more credits, while a graduate student is considered full-time when enrolled in 9 or more credits. To qualify for federal loans, students must still meet the minimum half-time enrollment requirement based on their academic level.
2) An undergraduate student is typically expected to take 12 or more credits a semester for a total of 24 or more credits during the fall/spring academic year. A student enrolled in 12+ credits during the fall semester would be eligible for 50 percent of the annual loan limit. A student who enrolls in six credits for the fall semester would be eligible for 25 percent of the annual loan limit for the semester.
3) A graduate student is typically expected to take nine credits a semester for a total of 18 credits during the fall/spring academic year. A student enrolled in nine credits during the fall semester would be eligible for 50 percent (9/18) of the annual loan limit for the fall. A student who enrolls in six credits for the fall

semester would be eligible for 33.3 percent of the annual loan limit for the semester.

3. Graduate New Students

Effective July 1, 2026, new regulations will be put in place concerning federal loan eligibility for graduate and professional students. The most significant changes will affect the Graduate PLUS Loan program and introduce new lending limits for Direct Unsubsidized Loans. Please review the table below for key updates on the new federal regulations affecting Unsubsidized and Graduate PLUS loan borrowers.

Graduate Federal Loan Eligibility	
Graduate PLUS Loan Eliminated	Graduate PLUS loans will be eliminated effective July 1, 2026; beginning on that date, Graduate PLUS loans will not be available for new federal student loan borrowers.
Lifetime Aggregate Loan Limit	Graduate students who borrow Federal Direct Loans will have a new lifetime loan limit of $100,000. Professional students who borrow Federal Direct Loans will have a new lifetime loan limit of $200,000.*
Annual Limit (Academic Year) for Masters	$20,500
Lifetime Aggregate Limit-this limit on graduate loans does not include any loans borrowed during undergraduate studies.	$100,000
Lifetime Aggregate Limit-Lifetime borrowing for all federal student loans, including undergraduate and graduate education, excluding Parent PLUS Loans.	$257,000

Legacy Provision	Students who have borrowed a Federal Direct Loan before July 1, 2026, will benefit from a legacy provision that allows them to borrow based on previous loan limits for up to three academic years, or until the end of their academic program, whichever comes first. To qualify, students must remain enrolled in the same program of study at the same institution. Students may continue to borrow under existing regulations, including Grad PLUS Loans, up to the Cost of Attendance for a maximum of three additional years, provided they meet both of the following conditions: 1. The student is enrolled in the same credentialed program during the 2026–27 academic year as they were before July 1, 2026. 2. The student obtained a federal student loan (Subsidized, Unsubsidized, or Graduate PLUS) for that specific program prior to July 1, 2026. If a student chooses to change programs or start a new degree after July 1, 2026, they will be subject to the new borrowing limits as well as ineligible for the Federal Graduate PLUS Loan.

Parent PLUS Loan Key Updates
Parents of a dependent undergraduate student who borrows a Parent PLUS loan have a new annual loan limit of $20,000 per child
Parents of a dependent undergraduate student who borrows a Parent PLUS loan have a new aggregate loan limit of $65,000
Students or parents who have borrowed a Federal Direct loan before July 1, 2026 will have a legacy provision, that allows them to borrow based on previous loan limits, for up to three academic years or the end of the dependent student's academic program, whichever comes first. To qualify students must remain enrolled in the same program of study at the same institution. ***IMPORTANT NOTE: Students who borrow the maximum amount of $20,000 per year, may run out of PLUS eligibility by their Senior year due to the $65,000 lifetime limit.***