One Big Beautiful Bill Act (OBBBA): 2026-27 Changes to Federal Financial Aid

Key Changes Effective July 1, 2026

1. **Parent PLUS Loans for New Borrowers**
    - Students whose parents are **new Parent PLUS Loan borrowers** beginning in the 2026-27 academic year will be subject to new borrowing limits.
    - Parent PLUS Loans will be capped at:
        - **$20,000 per academic year**
        - **$65,000 lifetime maximum**
2. **Legacy Borrower Exception**
    - Paine College students whose parents **borrowed a Parent PLUS Loan before the 2026-27 academic year** may qualify for a temporary exception.
    - Eligible legacy borrowers may continue receiving Parent PLUS Loans **without the new borrowing caps** for up to **three academic years**, provided they continue to meet all eligibility requirements.
3. **Direct Loan Adjustments for Less-Than-Full-Time Enrollment**
    - Students enrolled in **fewer than 12 credit hours per semester** may receive reduced Direct Loan amounts.
    - Students who drop from full-time to part-time status during a semester could see a reduction in loan eligibility in future semesters.
    - Before dropping classes, students are encouraged to consult with their **academic advisor** or the **Financial Aid Office** to understand how enrollment changes may affect their aid.
4. **Pell Grant Eligibility Changes**
    - Students with a **Student Aid Index (SAI)** equal to or greater than **twice the maximum Pell Grant amount** will no longer qualify for the minimum Pell Grant award.
    - Students whose costs are already fully covered by external grants or scholarships no longer qualify for Pell Grants.

What This Means for Students

These changes may affect the amount of federal aid available to students and families. Students should carefully consider enrollment decisions and financing plans and contact the Financial Aid Office with questions about their individual eligibility.