

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

Please Note:

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act making significant changes to the federal student financial aid programs effective July 1, 2026.

This information reflects the most current guidance available and is subject to change. NSU Student Financial Aid will continue to make updates regarding the scope and effect of these changes as we receive additional guidance.

Please review [Federal Student Aid](#) updates for the most up-to-date information being released on changes from the One Big Beautiful Bill Act updates.

Elimination of Grad Plus Loans

The Federal Direct Graduate PLUS Loan is being eliminated for new borrowers beginning July 1, 2026.

- **Legacy Provision:** Students who have a Federal Loan disbursed *before* July 1, 2026 and continue to be enrolled at NSU in the same program as of June 30, 2026, may continue borrowing \$20,500 of Direct Unsubsidized Loans and Graduate PLUS Loans up to the full cost of attendance through June 30, 2029, or until the expected time to credential, whichever comes first.

No student may receive more than half of their annual loan amounts in one semester, regardless of legacy status.

Schedule of Reduction for all students regardless of legacy status:

Effective July 1, 2026, for the 2026-2027 Award Year for all students, regardless of legacy status.

Annual loan amounts will be adjusted based on actual enrollment (if less than full-time in degree-pursuant coursework) for both undergraduate and graduate students. This will result in a reduction of federal loan eligibility for a student enrolled less than full-time for the academic year. Students still must be enrolled in at least ½ time to receive student loans. All Loans – Sub, Unsub and Grad Plus are subject to the Schedule of Reduction. Approved Parent Plus loans are excluded from the schedule of reduction requirements. Students who withdraw from any course(s) will have loan eligibility recalculated.

- Undergraduate Students – 12 hours of courses that count towards your primary degree program is considered full time.
- Graduate Students – 9 hours of courses that count towards your primary degree program is considered full time.

More information on this change is not yet available

New Loan Limits

The legislation establishes a total lifetime limit of \$257,500 for all combined federal student loans. This cap applies to the total outstanding principal balance of your federal loans, which include Subsidized, Unsubsidized, and Grad PLUS loans. Please note that this aggregate limit does not include Parent PLUS loans. New lifetime loan limit \$257,500 includes student borrowing for undergraduate, graduate, and professional study.

- Legacy Provision: Students who have borrowed a Federal Direct loan that has been disbursed prior to July 1, 2026, will have a legacy provision that allows them to borrow based on previous loan limits, through June 30, 2029, or until the expected time to credential, whichever comes first. To qualify students must remain enrolled at the same institution, in the same program of study as of June 30, 2026.

No student may receive more than half of their annual loan amounts in one semester, regardless of legacy status.

Parent Plus

Parents of [dependent](#) undergraduate students who borrow a parent PLUS loan on or after July 1, 2026 may borrow up to \$20,000 per year per student with an aggregate limit of up to \$65,000 per student.

It's important to note that these limits are combined limits — meaning if multiple parents apply for a PLUS loan for their student, the combined total for all PLUS loan borrowers cannot exceed \$20,000 for the year or the \$65,000 aggregate limit per student.

- Legacy Provision: Students or parents who have borrowed a Federal Direct loan that has been disbursed prior to July 1, 2026, will have a legacy provision that allows them to borrow based on previous loan limits, through June 30, 2029, or until the

expected time to credential, whichever comes first. To qualify students must remain enrolled in the same program of study at the same institution.

Pell Grant Changes:

Starting in Fall 2026, 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 is ineligible for a Pell Grant.

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.

Students who receive grants or scholarships from non-federal sources, including NSU scholarships, covering their entire Cost of Attendance are ineligible to receive a Pell Grant, even if otherwise eligible for the program.

Helpful Links:

[*What Graduate Students Need to Know*](#)

[*What New Parent Borrowers Need to Know*](#)

[*What Current Parent Borrowers Need to Know*](#)