



Financial Aid Changes: A new law called the **One Big Beautiful Bill Act** changes many financial aid rules for college students. This law was signed on July 4, 2025 and the final rules were published by the U.S. Department of Education on May 1, 2026. Here is how these changes could affect you as a **graduate** student.

Overview

The new law introduces changes to **federal student loans, borrowing limits, and repayment options**, most of which take effect on **July 1, 2026**. For graduate students, the most significant changes affect **enrollment requirements, the types of loans available and limits** but other changes can impact students later, like the changes to **repayment options**. These are not all of the changes but are the main ones you should know about.

Loan Options and Loan Limits

1. Borrowing Limits

- Annual limit: **\$20,500** (unchanged)
- New: Lifetime limit: **\$100,000** (graduate Unsubsidized loan limit)
- New: Combined lifetime loan limit: **\$257,500** (this includes all previously borrowed undergraduate, graduate & graduate PLUS loans)

What this means: Graduate students will be subject to stricter borrowing caps. This may affect how much total funding is available through federal loans over the course of a graduate program.

2. Graduate PLUS Loans

- **No longer available for new borrowers and/or new graduates after July 1, 2026**

What this means: Graduate PLUS loans have typically been used (in addition to the graduate Unsubsidized loan which is a different program) to cover remaining costs beyond standard loan limits. Their removal means students may need to rely on:

- personal funds
 - institutional aid and scholarships
 - private loans
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3. Legacy Borrowing Provision (for continuing students only)

Also known as "[Loan Limits Exception](#)"

To obtain legacy borrowing status:

Enrollment: Students must be currently enrolled (not withdrawn as of June 30, 2026) in their program at PSU and then remain **continuously enrolled** (at any enrollment level) during all regular terms of the school year (except summer unless they officially enroll and then withdraw from classes) *and*,

Student Borrowers: Students also must have borrowed a federal loan (Unsubsidized or Graduate PLUS) for their current graduate program at PSU before July 1, 2026. They may continue using the Graduate PLUS loan and previous loan limits temporarily however, **legacy borrowing status will be lost at the time any of the following scenarios occur:**

- **3 academic years pass** (all legacy provisions end in 2028/2029), *or*
- If your enrollment (even if part-time) reaches or exceeds **the published program length for full-time students**. (This is the difference between the published length of the program of study you are enrolled in for full-time students *minus* the period of time you have completed in that program), *or*
- You **complete your program**, *or*
- You **change your program**, *or*
- You **withdraw** or **do not enroll** in a required term (fall, winter, spring), *or*
- You enroll in summer classes and then **withdraw**
- **Any of these scenarios will result in an immediate loss of legacy status**
- **Once lost, legacy borrowing status may not be regained**

What this means: Currently enrolled graduate students who have already borrowed a federal loan for their program may temporarily retain access to existing loan programs and limits to complete their current academic program, but only under specific conditions. A loss of legacy borrowing status means the student will lose access to the Graduate PLUS program and, their eligibility will be redetermined under the new lifetime loan limits.

4. Enrollment Requirement & Student Loans

- Loan amounts (on all federal loans) are reduced if you **enroll less than full-time (9 credits per term)**
- Changes in enrollment (such as dropping classes) may affect **loan eligibility in the following term**

What this means: Loan eligibility will be tied to enrollment level beginning fall 2026. Taking fewer than 9 credits will reduce available loan funding for all students. If you've already received your loans and then reduce your enrollment, this could change your loan payments in the following term even if you return to full-time. There is no legacy borrower provision for this requirement.



Students thinking of enrolling part-time or dropping a class should **talk to their financial aid office first to understand the implications.**

5. Dropping, Withdrawing or Not Enrolling

- Dropping below required enrollment or withdrawing will:
 - reduce loan eligibility (for less than full-time)
 - reduce loan eligibility in a future term (if you have already received your financial aid and then reduce enrollment)
 - affect access to legacy borrowing provisions

What this means: Changes in enrollment can affect both current or future term funding as well as continued eligibility under the previous loan programs and rules. Make sure the financial aid office knows about any term during the school year that you plan to enroll below full-time or, if you plan to take a gap term (other than summer).

6. Repayment Changes (for future loans)

- Loans issued after July 1, 2026 will have two repayment options:
 - [Standard repayment](#)
 - [Repayment assistance plan](#)

What this means: Future repayment options will be more limited compared to current plans and, borrowing new loans after July 1 could change access to older repayment plans.

Summary

For graduate students, the new law:

- Eliminates **Graduate PLUS loans for new borrowers and/or new graduates**
- Introduces **lower lifetime borrowing limits**
- Ties aid more closely to **enrollment status**
- Provides temporary flexibility for **current students under legacy loan rules**
- Simplifies but limits **repayment options for new loans**

Financial Aid Change	Continuing Graduate	New Graduate/New Borrower
New Borrowing Limits		X
Graduate PLUS Loan Ends		X
Enrollment Requirements	X	X
Legacy Provision	X	
Dropping/Withdrawing	X	X
Repayment Changes	X	X

What you can do to prepare for these changes:

Stay informed: Review the information currently available about these changes on the financial aid website: www.pdx.edu/student-finance/federal-actions-financial-aid

Review the Federal Student Aid FAQ: <https://studentaid.gov/announcements-events/big-updates>

Meet with financial aid: If you'd like, you can schedule to meet with a financial aid counselor to discuss how these changes may directly impact your situation (for example, based on your aid type or enrollment plans next year). Visit the financial aid website to schedule an appointment: www.pdx.edu/finaid

Resource: National Association of Student Financial Aid Administrators (NASFAA) [Graduate Loan Limits Flowchart](#)

Resource: National Association of Student Financial Aid Administrators (NASFAA) [Repayment Plan Flowchart](#)

An important note about these changes: This is the school's understanding of these changes at this time. Further information will be made available as the U.S. Department of Education implements and clarifies the new law.