

# NEW FEDERAL STUDENT FINANCIAL AID REGULATIONS

The One Big Beautiful Bill Act (OB3) contains changes to federal financial aid programs. *These changes go into effect on July 1, 2026.* The Department of Education (DOE) is developing the regulations that are necessary to implement OB3. *Choose (ctrl + click) the topic that interests you.*

<b>PELL GRANTS</b>	<b>UNDERGRADUATE STUDENT LOAN LIMITS</b>
<b>PARENT PLUS LOANS</b>	<b>GRADUATE STUDENT LOANS</b>
<b>GRAD PLUS LOANS FOR NEW BORROWERS</b>	<b>LOAN ENROLLMENT ELIGIBILITY</b>

## PELL GRANTS

- Pell Grants are awarded to undergraduate students with exceptional financial need who have not earned a baccalaureate or graduate degree. Eligibility is primarily determined by one’s household income, family size, and Student Aid Index (SAI) as determined after the [FAFSA](#) is submitted.
- Students whose Cost of Attendance (COA) is fully covered by non-federal financial aid are ineligible to receive a Pell Grant. Non-federal financial aid includes grants and scholarships provided by AU, South Carolina, and other sources (such as private loans).
- Some students and families with foreign income who received a Pell Grant for the past 2 years will lose Pell Grant eligibility in 2026-27. This change relates to the calculation of Pell Grant eligibility on your [FAFSA](#).

## UNDERGRADUATE STUDENT LOAN LIMITS

- Undergraduate Direct Loans Limits remain largely unchanged:

Annual Loan Limits			Annual Loan Limits		
Dependent Students	Current	New	Independent Students	Current	New
Freshman	\$5,500	\$5,500	Freshman	\$9,500	\$9,500
Sophomore	\$6,500	\$6,500	Sophomore	\$10,500	\$10,500
Junior	\$7,500	\$7,500	Junior	\$12,500	\$12,500
Senior	\$7,500	\$7,500	Senior	\$12,500	\$12,500
<b>Aggregate Maximum</b>	<b>\$31,000 *</b>		<b>Aggregate Maximum</b>	<b>\$57,500 *</b>	

\* These limits are available if the student (1) has a Direct Loan made before July 1, 2026, (2) is enrolled in an academic program, and (3) continues to borrow under current loan limits for 3 academic years or the remainder of the expected time to complete their academic program, whichever is less. If these conditions are not met, the maximum lifetime loan limit of \$257,500 for *all* Undergraduate & Graduate Direct Loans.

## PARENT PLUS LOANS

- Parents may borrow \$20,000 per year per dependent student, with a \$65,000 aggregate limit per dependent student (without regard to amounts forgiven, repaid, canceled, or discharged). New parent-borrowers must seek alternative funding if limits are exceeded.
  - Note: A parent with a Parent PLUS loan made before July 1, 2026 may borrow under current loan limits for 3 academic years or the remainder of their dependent student’s expected time to complete their academic program, whichever is less.

## **GRADUATE STUDENT LOANS**

- Loans limits depend on Graduate Student or Professional Student status.
  - Note: The only AU Professional Degree is the Master of Divinity (M.Div.).

Loan Limits			Loan Limits		
Graduate Students	Current	New	Professional Students	Current	New
Annual	\$20,500	\$20,500	Annual	n/a	\$50,000
Aggregate ****	\$138,500 *	\$100,000 **	Aggregate ****	n/a	\$200,000 ***

- \* Includes Undergraduate Loans.
- \*\* Excludes Undergraduate Loans.
- \*\*\* Includes Graduate & Professional Loans only.
- \*\*\*\* The total aggregate limit of \$257,500 is for *all* Undergraduate & Graduate Loans.

## **GRAD PLUS LOANS FOR NEW BORROWERS**

- The Grad PLUS program is eliminated for new borrowers and will be replaced by the loan limits in the Graduate Student Loans section (above):
  - Note: Students with Grad PLUS loans may continue to borrow at current levels up to 3 academic years or the remainder of the expected time to complete their academic program, whichever is less.

## **LOAN ENROLLMENT ELIGIBILITY**

Enrollment Definitions		
Full-Time Enrollment	Fall	Spring
Undergraduate	12	12
Graduate	9	9
Half-Time Enrollment	Fall	Spring
Undergraduate	6	6
Graduate	5	5

- Under the Current Rules (before 7-1-26), a full Direct Loan is allowed for half-time enrollment. Under the New Rules (after 7-1-26), a Direct Loan will be prorated for less-than-full-time enrollment. The DOE will issue guidance on how Direct Loan proration will occur.

**The above information includes a summary of key OB3 changes only.**

**The above information may or may not impact your particular situation.**

**For more information, please visit the Federal Student Aid [website](#).**

**Please contact the [Office of Financial Aid](#) if you have any questions.**