

NEW FEDERAL STUDENT FINANCIAL AID REGULATIONS

The One Big Beautiful Bill Act (OB3) contains changes that impact Federal financial aid. These changes went into effect on July 1, 2026. The Department of Education (DOE) continues to develop regulations that are necessary to implement OB3. The below information includes a summary of key OB3 changes only.

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 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).

UNDERGRADUATE STUDENT LOAN LIMITS

Undergraduate Direct Loans (DL) 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
Aggregate Maximum	\$31,000		Aggregate Maximum	\$57,500	

Note: These limits are available if the student (1) has a DL made before July 1, 2026, (2) is enrolled in an academic program, and (3) continues to borrow under current DL 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 DLs.

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: Parents 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 the academic program, whichever is less.

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 (below):

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 the academic program, whichever is less.

GRADUATE STUDENT LOANS

Loans limits depend on Graduate Student or Professional Student status. This status is tied to the student's academic program. Currently, the only AU Professional Degree is the Master of Divinity (M.Div.).

Note: Current litigation has created uncertainty regarding loan limits. Due to this uncertainty and the fact that DOE guidance is likely to change, AU has decided to set an institutional limit of \$20,500 on Federal Direct Unsubsidized Loans. If you have questions, feel free to contact the [Office of Financial Aid](#).

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.

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 DOE regulations (before 7-1-26), a full Direct Loan (DL) is allowed for half-time enrollment. Under the new DOE regulations (after 7-1-26), a DL will be *prorated* for less-than-full-time enrollment. The DOE is expected to issue additional guidance on how DL proration will occur.

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.