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

Dependent Students	Current	New
Freshman	$5,500	$5,500
Sophomore	$6,500	$6,500
Junior	$7,500	$7,500
Senior	$7,500	$7,500
Aggregate Maximum	$31,000	

Annual Loan Limits

Independent Students	Current	New
Freshman	$9,500	$9,500
Sophomore	$10,500	$10,500
Junior	$12,500	$12,500
Senior	$12,500	$12,500
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 is impacting the definition of Professional Degrees. Until this is resolved, the DOE has issued an **Interim List of Professional Degree Programs**. 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.