



2026-2027 Federal Loan Update

Congress passed the One Big Beautiful Bill Act (OBBBA) in July 2025, which introduced several changes affecting federal student loan amounts, effective July 1, 2026, for the 2026-2027 award year. This update includes adjustments to loan amounts for less than full-time enrollment and changes to overall borrowing limits, and how these changes may apply to you.

Loan Proration for Less than Full-Time Enrollment:

All federal Direct Loans, except Parent PLUS loans, will be subject to proration for less than full-time enrollment, starting with the 2026-2027 award year, regardless of prior borrowing. This proration mirrors the ratio of enrolled credits to the full-time credit requirement. For example, if a student is enrolled in 9 credits, they would be eligible for 9/12 or 75% of the standard loan amount for the semester. If the student were eligible for \$1,750 in Subsidized Direct Loan, the proration would reduce the amount to \$1,312. If the enrollment change occurs after disbursement, the adjustments may be made in the following semester. Students must still be enrolled at least half-time to receive Direct Loans.

Types of Federal Loan Borrowers, effective July 1, 2026:

- **New Borrower-** A student with no federal loans disbursed (student or parent) for their current SVA program prior to July 1, 2026, or someone who has paid in full their existing federal loans for the current program.
- **Legacy Borrower-** A student who was disbursed a federal loan (student or parent) prior to July 1, 2026, and continues enrollment in the same degree program during the 2026–2027 academic year. This status can be maintained for the lesser of three academic years or the portion of the program of study remaining for graduation. A student may lose their legacy status before this point if they withdraw or change programs.

Federal Loans Available to Legacy Borrowers:

Legacy borrowers may continue to access existing loan program funding levels and provisions for the duration stated above, except for Graduate Plus loan borrowers. Graduate Plus loan borrowers are limited to borrowing \$125,000 per academic year under SVA borrowing limits, effective July 1, 2026. Legacy borrowers are subject to the new proration requirements for less than full-time enrollment, with the exception of Parent Plus loan borrowers.

Federal Loans Available to New Borrowers:

New regulations regarding borrowing limits under the Direct Loan program for borrowers who do not meet the legacy requirements are effective July 1, 2026, which include the following adjustments:

- Undergraduate Direct Subsidized and Unsubsidized Loan annual borrowing amounts remain the same, except for the new proration for less than full-time enrollment
- New lifetime loan limits replace the revolving aggregate borrowing limits; repayment of the loan does not restore access under the new caps



- Direct Parent PLUS Loan is limited to \$20,000 per student per academic year, with a maximum of \$65,000 lifetime limit per student, and this loan is not subject to the less than full-time proration
- Direct Graduate PLUS Loan is no longer available to graduate students
- Annual Direct Unsubsidized Loan limits remain the same for graduate students, but a new lifetime limit for graduate-level borrowing is \$100,000 (does not include any Undergraduate borrowing). This loan is subject to the less than full-time proration
- New Borrowers are subject to a total lifetime federal student loan cap of \$257,500 (excluding Parent PLUS Loans). Within this overall limit, up to \$57,500 may be used for undergraduate borrowing, up to \$100,000 may be used for graduate-level borrowing, and up to \$200,000 may be used for federally defined professional programs (MD, JD, DDS, etc.). SVA does not offer programs in the professional tier.

Comparison of Key Changes to Federal Student Loans Effective July 1, 2026

Types of Borrower	Annual Loan Limits		Aggregate Loan Limits	Lifetime Limits
	Legacy	New	Legacy	New
Undergraduate- Dependent Direct Loan	\$5,500 - \$7,500	\$5,500 - \$7,500	\$31,000	\$57,500
Undergraduate- Independent Direct Loan	\$9,500 - \$12,500	\$9,500 - \$12,500	\$57,500	\$57,500
Undergraduate- Parent PLUS Loan	Up to Cost of Attendance minus other aid	\$20,000	None	\$65,000 for each dependent student
Graduate- Unsubsidized Direct Loan	\$20,500	\$20,500	\$138,500	\$100,000 graduate-level \$257,500 (combined, if also borrowed at the professional level)
Graduate PLUS Loan	The lesser of the Cost of Attendance minus other aid or \$125,000	No New Borrowers	None	No New Borrowers