



2026-2027 Federal Loan Update

This document has been updated since the original publication and reflects SVA's current understanding of the new requirements as of April 24, 2026. This information is subject to change.

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 of the annual loan limit mirrors the ratio of enrolled credits to the full-time credit requirement for the academic year and is calculated before each semester disbursement. If the enrollment change occurs after disbursement, the adjustments may be made to the disbursement amount for 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.
- **Legacy Borrower-** A student who received a federal loan (student or parent) prior to July 1, 2026, for a program in which they were enrolled as of June 30, 2026, who continues enrollment in the same degree program. This status can be maintained for the lesser of three academic years or the portion of the program of study remaining to complete, as calculated by SVA as of July 1, 2026. A student may lose their legacy status before this point if they withdraw, take an academic break that is not recognized for financial aid purposes, change credential level, or change graduate 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 and aggregate borrowing limits per credential level now apply; aggregate limits apply to credential level borrowing, and lifetime limits apply to overall combined borrowing
- Repayment, refund, discharge, or cancellation of the loan after disbursement 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, regardless of the parent who borrows, and this loan is not subject to the less than full-time proration
- Direct Graduate PLUS Loan is no longer available to graduate students
- For graduate students, the annual Direct Unsubsidized Loan limit of \$20,500 remains the same, but a new aggregate limit for graduate-level borrowing is \$100,000, which includes all prior graduate-level borrowing, but not undergraduate loans. This loan is subject to the less than full-time proration.
- New Borrowers are subject to a total lifetime federal student loan combined cap of \$257,500 (excluding Parent PLUS Loans), which includes all loans borrowed before and on or after July 1, 2026. However, SVA students are limited to a lifetime limit of \$157,500 because SVA does not offer professional programs for which the additional \$100,000 aggregate limit applies.
- Within the \$157,500 overall limit, the aggregate limits apply of \$57,500 for undergraduate borrowing and \$100,000 for graduate-level borrowing.



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

| Types of Borrower | Annual Loan Limits | | Aggregate Loan Limits | Aggregate and Lifetime Limits |
|---|---|--------------------|---|---|
| | Legacy | New | Legacy | New (includes prior borrowing) |
| Undergraduate - Dependent Direct Loan | \$5,500 - \$7,500 | \$5,500 - \$7,500 | \$31,000 | \$57,500 Aggregate |
| Undergraduate - Independent Direct Loan | \$9,500 - \$12,500 | \$9,500 - \$12,500 | \$57,500 | \$57,500 Aggregate |
| Undergraduate - Parent PLUS Loan | Up to Cost of Attendance minus other aid | \$20,000 | None | \$65,000 Lifetime for each dependent student, regardless of the borrower |
| Graduate - Unsubsidized Direct Loan | \$20,500 | \$20,500 | \$138,500 – combined with undergraduate borrowing | \$100,000 graduate-level Aggregate limit and \$157,500 Lifetime (combined with undergraduate) |
| Graduate PLUS Loan | The lesser of the Cost of Attendance minus other aid or \$125,000 | No New Borrowers | None | No New Borrowers |