



The One Big Beautiful Bill and How it will Affect Financial Aid

On July 4, 2025, the U.S. Congress passed the One Big Beautiful Bill which included changes to federal student loan eligibility. Here is a quick summary of the changes.

DEFINITIONS:

NEW Borrower: a student for whom a Grad PLUS Loan has not been previously disbursed or for whom a Grad PLUS loan has been paid in full before July 1, 2026.

CURRENT Borrower: a student for whom a Grad PLUS loan has been disbursed before July 1, 2026 and has not yet been paid in full. You may also see this called a “legacy provision.” To qualify for the “legacy provision,” the student must also be enrolled in the same program of study at the same institution as of June 30, 2026.

LOAN PRORATION: Part-time graduate students may be subject to prorated loan limits based on enrollment intensity. We recommend that you reach out to the Office of Student Financial Services to discuss the impact of enrolling less than full time before you do so.

Loan Eligibility and Limits

Type of Loan	Current Borrower	New Borrower
Grad PLUS Loan	Starting July 1, 2026, Grad PLUS loans will not be available for new borrowers. Current borrowers will be able to continue to borrow a Grad PLUS loan for 3 years or until their educational program ends under the “legacy provision.”	
Graduate Federal Unsubsidized Loan (Graduate and Professional Loans)	Annual Limit: \$20,500* Aggregate (Lifetime) Limit: must abide by new limits	Annual Limit: \$20,500 Aggregate (lifetime) Limit: \$100,000* Total Professional/ Graduate combined limit: \$200,000 Total Aggregate Limit (including undergraduate loans): \$257,500
All Federal Student Loans (subsidized, unsubsidized, and Grad PLUS loans)	Total Aggregate (lifetime) limit: \$257,500 (subsidized, unsubsidized, and Grad PLUS loans; this excludes Parent PLUS loans)	

*These limits reflect graduate programs rather than professional programs. Per the definition provided by the Department of Education, DPT and OTD programs are graduate programs, not professional programs for loan limit purposes.

Examples:

Example 1:

Sally is a brand-new DPT student and has never borrowed a Grad PLUS Loan before July 1, 2026. Jeremiah is a current student, but he has not borrowed a Grad PLUS loan before July 1, 2026. Both Sally and Jeremiah are new borrowers. Neither one will be able to borrow a Grad PLUS loan.



Example 2:

Jose is a current OTD student. He has already borrowed a Grad PLUS loan which was disbursed before July 1, 2026. He is one year into the two-year program, so he will still be able to borrow a Grad PLUS loan since he is within his expected time to credential.

Example 3:

Hudson started his OTD degree at University X and has already borrowed \$90,000 in Graduate Unsubsidized loans, all of which was disbursed before July 1, 2026. Hudson plans on starting at Hanover College's OTD program in January of 2027. He is only eligible for \$10,000 in a Graduate Unsubsidized Loan and is not eligible for a Grad PLUS loan since he will be enrolled in a program at a different institution than his qualifying loans to be considered a current borrower.



Example 4:

Emily started medical school with the intention of becoming a D.O. She is two years into her program and has already borrowed \$50,000 in a Graduate Unsubsidized loan each year for a total of \$100,000, per professional loan limit rules. However, Emily decides that she would enjoy a career in Physical Therapy more and transfers to the DPT program after two years of medical school. She is eligible to borrow her annual graduate program loan limit of \$20,500 in Graduate Unsubsidized loans for the two years that she is in the DPT program because she will not exceed the combined aggregate total of graduate and professional program loans: \$200,000. In total, Emily would have only borrowed \$141,000.