

FEDERAL REGULATION CHANGES AND IMPACT TO FEDERAL DIRECT LOAN



Dear (Student Name),

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law, resulting in changes to federal student aid programs. We are writing to inform you how these changes may impact your Federal Direct Loan eligibility beginning with the **2026–27 academic year**.

1. How Will Less Than Full-Time Enrollment Impact My Direct Loan Eligibility?

Beginning July 1, 2026, Federal Direct Loan amounts will be adjusted if a student is enrolled less than full-time. Federal regulations require loan amounts to reflect the student's actual enrollment percentage during the academic year.

2. How Will Withdrawing or Ceasing Enrollment Impact My Direct Loan Eligibility?

- Withdrawing from courses may result in a reduction of future loan disbursements.
- Ceasing enrollment may affect eligibility for the limited exception provisions associated with new federal borrowing limits.

3. Can I Still Borrow a Grad PLUS Loan?

The Grad PLUS Loan has been eliminated for new borrowers. Limited exceptions may be available to students who meet specific eligibility requirements.

- **Continuous Enrollment:** Students must have received a Federal Direct Loan disbursement before July 1, 2026, and remain continuously enrolled in the same academic program without a break in attendance (for up to three academic years or the remainder of their expected time to credential, whichever is less).
- **Minimum Credit Load:** Students must maintain the minimum credit load required by their academic program.

If you have questions regarding this notice, please contact the Financial Aid Office at your campus.

Additional Resources

- [NASFAA Loan Changes Brief \(PDF\)](#)
- [One Big Beautiful Bill Act – Important Definitions](#)
- [Federal Student Aid – Big Updates & Announcements](#)
- [Find Your Campus Financial Aid Office](#)

Sincerely,

Office of Student Financial Assistance