

One Big Beautiful Bill Act (OBBBA)

On July 4, 2025, the *One Big Beautiful Bill Act* was signed into law, introducing significant changes to federal student aid programs, most of which become effective **1 July 2026**. Detailed below are changes, however, the information below is subject to change based on any further updates from the US Department of Education Federal Student Aid website.

Continuing students 'legacy students'

Students who were actively enrolled and received federal loans during the 2025–26 academic year may continue to borrow under the previous regulations, provided they remain continuously enrolled and up to 3 years or their end date, whichever is sooner. Any break in study, including an intermission, will make them ineligible.

The statute also does not provide for extensions beyond that period, therefore if a student receives an institutional extension beyond their calculated expected time window, it is likely that they would not retain grandfathered borrowing eligibility during the extension period and would instead be subject to the new loan limits.

New students

- Postgraduate students may borrow up to \$20,500 annually through Stafford loans. The Graduate PLUS Loan is being eliminated.
- Lifetime limits are set to \$100,000 for Postgraduate Students. Before it was \$138,500 and students who repaid part of their balance could borrow again up to that limit. Under the new rules, this is no longer permitted.
- Part-Time Enrolment Restrictions for students enrolled in less than full-time study will have their Cost of Attendance (COA) pro-rated to reflect their course load. Consequently, these students will experience a reduction in the maximum loan amounts available to them.
- Parent PLUS Loans for Undergraduate students will be capped at \$20,000 per annum, with a \$65,000 lifetime limit per dependent child.

Staying informed

For the most up-to-date information, we recommend checking studentaid.gov