

Dear Parents and Families of Dickinson Students,

We are writing to share important information about upcoming changes to Federal Direct Loans that will take effect on July 1, 2026, as a result of the One Big Beautiful Bill Act (OBBBA). These changes may affect how families plan to finance a Dickinson education beginning with the 2026–2027 academic year.

### **Proration of Federal Direct Student Loans**

Beginning July 1, 2026, Federal Direct Student Loan eligibility will be prorated based on a student's enrollment status. Students enrolled less than full time, or who withdraw or drop below full time during the semester, may see reduced annual loan eligibility, which will impact the total amount of federal loan funding available for the year.

### **New Limits on Federal Direct Parent PLUS Loans**

For families using the Federal Parent PLUS Loan, new annual and lifetime borrowing limits will apply for *new* loans first disbursed on or after July 1, 2026. Parent PLUS borrowing will be capped at \$20,000 per student per year, with a lifetime maximum of \$65,000 per dependent student.

### **Important Legacy (Grandfathering) Provisions for Federal Direct Parent PLUS Loan Borrowers**

Some current borrowers may qualify for a limited legacy provision that allows continued borrowing under the current Parent PLUS rules. In general, parents (or students) with a qualifying federal loan disbursement **made before July 1, 2026**, may be able to continue borrowing under existing Federal Direct Parent PLUS Loan limits for a limited period. To remain eligible for this legacy provision, students must continue in the *same degree program*. Changing degree programs after July 1, 2026, may result in the loss of this "grandfathered" status.

### **Action You Can Still Take for 2025–2026**

If neither you nor your student have borrowed a Federal Direct Loan this year and you would like to keep the option to borrow under the legacy provision, you may still do so for the 2025–26 academic year. The deadline to take action is May 5. Please contact your [financial aid counselor](#) to discuss this option.

Because these changes are significant, and include conditions that may affect future borrowing eligibility, we strongly encourage families review our [One Big Beautiful Bill Act Updates webpage](#) for detailed explanations, examples, and ongoing updates as additional federal guidance becomes available.

If you have questions about how these changes may affect your family, the Office of Financial Aid is here to help.

Sincerely,

**The Office of Financial Aid**