

Dear 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 your federal loan eligibility beginning with the 2026–2027 academic year, particularly if your enrollment status or degree program changes.

How Enrollment Changes May Affect Your Federal Student Loans

Beginning July 1, 2026, Federal Direct Student Loan eligibility will be prorated based on enrollment status. This means:

- Students enrolled less than full time may see a reduction in their annual Federal Direct Student Loan eligibility.
- Students who withdraw, take a leave, or drop below full time during a semester may lose access to a portion of their Federal Direct Student Loan funding for the year.

Because Federal Direct Student Loan limits are annual, any reduction in semester credits may impact the total amount of loan funding available to you for the entire academic year. We strongly encourage you to consider these impacts carefully when making decisions about your enrollment.

Changes to Federal Direct Parent PLUS Loans

If your parent has borrowed, or plans to borrow, a Federal Direct Parent PLUS Loan, additional changes will also take effect for new loans first disbursed on or after July 1, 2026:

- Parent PLUS Loans will be limited to \$20,000 per student per year.
- A lifetime maximum of \$65,000 per dependent student will apply.

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

Some families may qualify for a limited legacy (grandfathering) provision that allows continued borrowing under the current Parent PLUS Loan rules if there was a qualifying federal loan disbursement **before July 1, 2026**.

However, it is critical for students to understand:

- If your parent borrowed a Parent PLUS Loan and you change your degree program after July 1, 2026, you will lose eligibility for this grandfathered status.
- Once grandfathered status is lost, any future Parent PLUS borrowing will be subject to the new annual and lifetime limits, even if your family previously qualified under the old rules.

Action You Can Still Take for 2025–2026

If neither you nor your parent has borrowed a Federal Direct Loan this year and you wish to preserve the option of qualifying for the Federal Direct Parent PLUS Loan legacy provision, you may still choose to borrow for the 2025–2026 academic year. The deadline to take action is May 5. Please contact your [financial aid counselor](#) as soon as possible to discuss whether this option makes sense for your situation.

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

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

Sincerely,

The Office of Financial Aid