Jackson State University

One Big Beautiful Bill Changes to Graduate Financial Aid

FIRST ROAR NEW STUDENT ORIENTATION

One Big Beautiful Bill (OBBB)

Enacted in July 2025, the One Big Beautiful Bill Act (OBBB) introduced significant changes to federal student loan programs as part of broader fiscal policy reforms. The U.S. Department of Education published the final rules on May 1, 2026.

https://public-inspection.federalregister.gov/2026-08556.pdf

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Agenda

- • Overview of Federal Aid for Graduate Students
- • Legacy students versus non-legacy students
- • Overview: Key Changes from OBBB
- • Phasing out of Graduate PLUS Loan
- • Prorating loans for part time students
- • Annual and aggregate loan limits

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Overview of Graduate Federal Aid as it exists today

Graduate students submit the Free Application for Federal Student Aid (FAFSA) to receive federal financial aid.

- Federal Direct Unsubsidized Loan is automatically awarded based on the FAFSA, if the student is eligible. The annual limit is $20,500.
- Federal Direct Graduate PLUS loan is an additional federal loan available to graduate students but requires a credit check and that the student submit an additional PLUS loan application. The annual limit is the total cost of attendance minus other aid awarded.

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Legacy vs Non-Legacy

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Legacy students versus non-legacy students

The new regulations went into effect July 1, 2026. An interim exception for some of the changes has beenmade for current students who meet the federal legacy requirements. These students are referred to as legacy students.
All other graduate students are considered non-legacy students, and all aspects of the OBBB changes apply.

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Non-Legacy Students

Any new graduate student who begins enrollment on or after July 1st 2026.

Any current student who no longer meets all of the legacy requirements. The student is then considered non-legacy from that point forward.

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Legacy Requirements

- Must begin enrollment in program prior to July 1, 2026.
- Must be currently enrolled as of June 30, 2026.
- Must have a Federal Direct Loan for the same programPAID prior to July 1, 2026.
- Must remain continuously enrolled after July 1, 2026.
- Must remain in the same program at the same school.**
- Only considered a legacy student for the remainder of the published program length or 3 years, whichever is less.

***Two programs are considered the same program if the first 4 digits of the CIP Code are the same*

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Published Program Length

- The published program length is the amount of time it takes a full timestudent to complete the program. For example, if a graduate program requires 36 credits to graduate, and 9 credits is considered full time for one semester, then the published program length is 4 semesters/two years.
- Masters programs at Jackson State University are either 2 years or 3 years in length depending on the total credits needed to graduate.

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The Graduate PLUS Loan Program is Ending

- New students who begin enrollment on or after July 1, 2026, will no longer be able to borrow this loan.

- Continuing students who do not meet the federal legacy requirements will no longer be able to borrow this loan.

- From the point the student's legacy status changes.

- Continuing students who meet the federal legacy requirements will be allowed to borrow this loan for the remainder of their published program length or 3 years, whichever is less.

- After 3 years, no student will be able to borrow this loan.

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Crucial 2026-2027 Borrowing Rules

- **The "Schedule of Reductions" (SOR):** Your loan eligibility is now tied directly to your enrollment intensity. If you are enrolled less than full-time, your annual loan limits will be reduced proportionally based on your credit hours. You must still be enrolled at least half-time to receive any federal loans. However if you are enrolled in less than 12 credit hours for undergraduate or 9 credit hours as a graduate/professional student your loans will be reduced and prorated. If you register for less than full time for the second semester or Spring you loans could be reduced again. Please be aware this new change.

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Annual Loan Limits for Graduate Programs

- Federal Direct Unsubsidized Loan
- $20,500 per year for all students regardless of legacy status
- Federal Direct PLUS Loan
- Legacy students: Capped at the total cost of attendance minus other aid already received.
- Non-legacy students: This loan is no longer available.

- All federal loans must be prorated if student is enrolled less than full time.

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Old Aggregate Loan Limits

- Only apply to legacy students

- $138,500 total for all undergraduate, graduate, and professional level loans received. This total only includes Subsidized and Unsubsidized Federal loans and does not include PLUS loans.

- Amount can be paid down and borrowed again as long as total subsidized and unsubsidized loans do not exceed $138,500.

- PLUS loans have no limit.

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New Aggregate Loan Limits

Applies to all non-legacy students after July 1, 2026.

Maximum amount of subsidized and unsubsidized Direct loans.

- $57,500 in total undergraduate level student loans
- $100,000 in total loans for graduate level programs
- $200,000 in total loans for students enrolled in a combination of graduate and professional programs. **(Not available currently for JSU graduate/professional students).**
- $257,500 limit for all federal student loans, including graduate PLUS loans.
- These are lifetime limits. Students cannot borrow these funds again after paying down the loan.

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