

IMPORTANT FINANCIAL AID UPDATE: Changes Effective July 1, 2026 (2026-2027 Academic Year)

Date of Publication: December 8, 2025

Subject: Critical Changes to Federal Student Loan Programs and Parent PLUS Loan Limits

Below guidance does not apply to continuing students.

Dear Students and Families,

We are proactively sharing important information regarding upcoming, legislated changes to federal student aid programs, primarily due to the One Big Beautiful Bill Act (OBBBA). These changes are slated to take effect for the 2026–2027 award year (beginning July 1, 2026). Please note that while the information below reflects the law as passed, final details and official implementation guidance are still pending publication by the U.S. Department of Education and may be subject to revision.

These changes primarily impact federal loan limits, the availability of certain loans, and future repayment options. We strongly urge all families who utilize federal loans to review this information carefully and plan their financing strategy accordingly.

Key Changes to Federal Direct Loan Programs

1. Federal Direct Parent PLUS Loan Limits

This is the most significant change for undergraduate families relying on this funding source. The previous policy, which allowed parents to borrow up to the student's full Cost of Attendance (COA) minus other aid, has been replaced with revised, capped limits:

- **Annual Limit:** The total maximum amount all parents may borrow per dependent student is now capped at \$20,000 per academic year.
- **Aggregate (Lifetime) Limit:** The total maximum amount all parents may borrow over the lifetime of a dependent student's undergraduate education is \$65,000.

What does this mean to you as a Cooper student? Jump here for [Action Items for Families](#)

2. Parent PLUS Loan Repayment Requirement

All Parent PLUS Loans disbursed on or after July 1, 2026, are now only eligible for the Standard Repayment Plan. They are no longer eligible for the new income-based repayment option (Repayment Assistance Plan, or RAP).

3. Elimination of Graduate PLUS Loans

Effective July 1, 2026, the Federal Direct Graduate PLUS Loan Program has been discontinued for all new graduate borrowers. Graduate students must now manage their borrowing within the revised Direct Unsubsidized Loan limits (see Section 5).

4. Legacy Provisions for Current Borrowers

If a Parent PLUS Loan or Graduate PLUS Loan was successfully disbursed before July 1, 2026, for a student currently enrolled in a program, the borrower may continue to utilize the previous, higher (COA-based) borrowing limits for up to three additional academic years or until the student completes the current program, whichever is sooner.

5. New Lifetime Borrowing Limits (for Students)

All student borrowers are now subject to a \$257,500 lifetime aggregate cap on all federal student loans (undergraduate, graduate, and professional), excluding any Parent PLUS Loans borrowed by their parents on their behalf.

Action Items for Families

We recognize that these structural changes may significantly alter your funding plan. We recommend the following steps:

1. **Review Your Limits:** If you have borrowed Parent PLUS Loans in the past, calculate your remaining aggregate eligibility to ensure you do not exceed the \$65,000 lifetime cap.
2. **Alternative Financing:** If the new \$20,000 annual limit does not cover your remaining costs, you will need to research alternative funding options, such as institutional payment plans or [private educational loans](#).
3. **Contact Our Office:** If you have specific questions about how the legacy provisions apply to your continuing student, or if you need help recalculating your family contribution, please contact the Financial Aid Office. You may schedule a [virtual appointment](#) or an [in-person appointment](#).

We are here to support you in navigating these regulatory shifts and helping your student achieve their educational goals.

Sincerely,

The Office of Student Financial Services