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## Important 26-27 Financial Aid Updates- Graduate Students

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To: eu\_students\_gpsgrad <eu\_students\_gpsgrad@eastern.edu>, seminary\_students <seminary\_students@eastern.edu>

Cc: eu\_facstaff <eu\_facstaff@eastern.edu>

Hello!

**PLEASE READ THE FOLLOWING EMAIL CAREFULLY AND IN ITS ENTIRETY!**

The One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, introduces significant changes to federal student aid that will take effect on **July 1, 2026**. Since Summer is the header semester for financial aid at Eastern, these changes will go into effect starting Summer 1 2026.

Below is a summary of the key changes affecting Graduate students:

### Federal Student Loan Changes

- **Loan Proration- Graduate Certificates, Masters, & CAGS:** For Graduate Certificate, Masters, and CAGS students enrolled less than full-time (fewer than 6 credits in a reporting term), federal loan amounts will now be prorated based on enrollment level using the following calculation:
  - Number of credits in the reporting term divided by the number of credits equal to full-time enrollment for the year multiplied by the annual loan limit
  - Example:  
3 credits in Summer, 3 credits in Fall & 3 credits in Spring; 18 credits= Full-time yearly enrollment; Annual Loan Limit= \$20,500  
 $3/18 = .375 * \$20,000 = \$3,416$  in Unsubsidized Loan for each reporting term
- **Loan Proration- Teaching Certification:** For Teacher Certification students enrolled less than full-time (fewer than 12 credits in a reporting term), federal loan amounts will now be prorated based on enrollment level using the following calculation:
  - Number of credits in the reporting term divided by the number of credits equal to full-time enrollment for the year multiplied by the annual loan limit
  - Example:  
9 credits in Fall & 6 credits in Spring; 24 credits= Full-time yearly enrollment; Annual Loan Limit= \$5,500 Subsidized & \$7,000 Unsubsidized  
 $9/24 = .375 * \$2,063 = \$1,313$  in Subsidized Loans for Fall  
 $9/24 = .375 * \$2,625 = \$750$  in Unsubsidized Loans for Fall  
 $6/24 = .25 * \$1,375 = \$875$  in Subsidized Loans for Spring  
 $6/24 = .25 * \$1,750 = \$500$  in Unsubsidized Loans for Spring
- **Loan Limits:** For students enrolled full-time (12 credits or more), the maximum loan amount they can receive each semester is half of their yearly amount. This means that students will not be able to request to move the fully yearly loan amount to one semester as many have done in the past. For instance, if your yearly loan limit is \$5,500 and you enroll in 12 credits in the fall and 15 credits in the spring, you can receive \$2,750 in loans in each semester; you cannot receive all \$5,500 in one semester.
- **Graduate PLUS Loans:** New Graduate students are not able to borrow a Graduate PLUS Loan starting Summer 2026. Returning Graduate students can continue to borrow Graduate PLUS Loans for up to 3 years or until they finish their current program (whichever comes first).
  - If additional loan funds are needed, Eastern offers a Preferred Lender List of Private Alternative Loans at [ELMSelect.com](http://ELMSelect.com).
- **Aggregate Loan Limits:**
  - For returning Graduate students, the aggregate loan limit remains unchanged of \$138,500 between all degrees pursued (Associates, Bachelors, Certification, Master's, Doctorate).
  - For new Graduate students, the new aggregate loan limit will be \$100,000 for loans borrowed at the Graduate level.

### New Repayment Options- for students/parents who will be going into loan repayment

- **Repayment Assistance Plan (RAP):** Starting July 2026, many existing income-driven repayment plans (like SAVE) will be replaced by the RAP.

- **Monthly Payments:** Payments under RAP will be between 1% and 10% of income with a [\\$10 minimum monthly payment](#).

### Legacy Provisions (Grandfathering)

If you are a current borrower with Federal Direct loans disbursed **before July 1, 2026**, you may be eligible for "legacy status". This allows you to continue borrowing under previous limits for up to three academic years or until you complete your current program, provided you remain continuously enrolled.

- Example: if you are a current Eastern student for the 25-26 aid year, received a Federal Loan prior to July 1, 2026, and you continue as an Eastern student for the 26-27 aid year in the same degree program as 25-26, you would be covered under the Legacy provisions and would still be able to apply for a Graduate PLUS Loan.

**IMPORTANT NOTE:** Final regulations are expected sometime in spring 2026, with further guidance on specific transition rules (such as legacy status for current borrowers) being issued as the Department of Education finalizes the rules. As soon as more information is known, we will share with you and post to the Financial Aid website ([eastern.edu/finaid](http://eastern.edu/finaid)). In the meantime, please refer to the [One Big Beautiful Bill Act Updates page](#) of StudentAid.gov. We appreciate your patience during this transition.

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Sincerely,  
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