
Important 26-27 Financial Aid Updates- Undergraduate Students

1 message

Financial Aid Office (Do Not Reply) <donotreplyfa@eastern.edu>

Fri, Apr 17, 2026 at 4:59 PM

To: eu_students_gpsug <eu_students_gpsug@eastern.edu>, eu_students_tradug <eu_students_tradug@eastern.edu>, eu_students_ec <eu_students_ec@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 undergraduate students:

Federal Pell Grant & FAFSA Updates

- **Revised Eligibility:** Students whose Student Aid Index (SAI) is at least twice the maximum Pell Grant amount—currently approximately \$14,790—will no longer be eligible for the grant. This means that if your SAI for 26-27 is approximately \$14,790 or higher, you would not receive a Pell Grant for the 26-27 aid year.
- **Foreign Income:** Foreign earned income must now be included in the Adjusted Gross Income (AGI) when calculating Pell eligibility. If you do not receive foreign earned income, then this would not apply to you.
- **Asset Exemption:** The FAFSA now includes the reinstatement of asset exemption for family farms & family-owned small businesses, and a new exemption for family-owned commercial fisheries.

Federal Student Loan Changes

- **Loan Proration:** For 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= \$3,500 Subsidized & \$2,000 Unsubsidized (first year student) $9/24 = .375 * \$3,500 = \$1,313$ in Subsidized Loans for Fall
 $9/24 = .375 * \$2,000 = \750 in Unsubsidized Loans for Fall
 $6/24 = .25 * \$3,500 = \875 in Subsidized Loans for Spring
 $6/24 = .25 * \$2,000 = \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.
- **Parent PLUS Caps:** New Parent PLUS borrowers will face an annual limit of \$20,000 and a lifetime limit of \$65,000 per student. Keep in mind that if your parent borrows \$20,000 per year for your first three years of your program, they will have borrowed \$60,000 and would only have \$5,000 to borrow for your fourth year of your degree.
 - [What New Parent Borrowers Need to Know](#)
 - [What Returning Parent Borrowers Need to Know](#)
 - If additional loan funds are needed, Eastern offers a Preferred Lender List of Private Alternative Loans at [ELMSelect.com](#).

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 not be held to the new Parent PLUS loan caps. All new students will be held to the new Parent PLUS caps.

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). In the meantime, please refer to the [One Big Beautiful Bill Act Updates page](#) of StudentAid.gov. We appreciate your patience during this transition.

--
Sincerely,
The Financial Aid Office at Eastern University
1300 Eagle Road
St. Davids, PA 19087
www.eastern.edu/finaid
Like Us on [Facebook!!](#)

Please do not reply to this message. Replies will not be read and will not receive a response. We're happy to help you with any questions or concerns you may have. If you have questions regarding the material covered in this email, please review your my.Eastern.edu account and feel free to contact us at finaid@eastern.edu or [610-225-5102](tel:610-225-5102).