Temple University
Student Financial Services

Federal Loan Changes: What Current Undergraduates Need to Know

This handout contains information that pertains to students who are currently enrolled at Temple and are not beginning a new program in Fall 2026.

Are there any changes to my Pell Grant eligibility?

The new OB3 rules limit Pell Grant eligibility to students whose Student Aid Index (SAI) is twice that of the maximum Pell. For 2026-27, the maximum SAI that permits Pell eligibility is 14,790.

Are there any changes to my annual and aggregate loan limits?

No. Undergraduates retain the same annual and aggregate loan limits.

What happens if I withdraw from a class or attend less-than-full-time?

Nothing immediately, but there may be an impact in the next semester, depending on your enrollment. Starting with the 2026–27 award year, which begins with Fall 2026, Direct Loan amounts for students who are not enrolled full-time for the academic year will need to be adjusted. This is called a Schedule of Reduction. Full-time enrollment is determined by term and by the academic year. This adjustment is made at the **next scheduled disbursement** in the aid year. See this example: (individual scenarios and eligibility may vary)

Example: 1st year undergraduate student enrolls in 12 credits Fall.

- Max Loan Eligibility: $5,500 unsubsidized loan
- We disbursed $2,750 for Fall. The student later withdraws to 9 credits in the fall semester.
    - No adjustment is made for Fall.

The student registers for 12 credits. Before we release Spring aid, we must apply the Schedule of Reductions calculation.

- 9 earned credits in Fall + 12 registered credits in Spring = 21 annual credits
- Full-time is 12, so 24 credits is the full-time annual amount.
- 21 ÷ 24 credits = 88% (rounded to the nearest whole number)
    - This means the student is enrolled for 88% of overall full-time credits. The student can only have 88% of their loan
- 88% x $5,500 = $4,840
- **$4,840 is the new annual loan amount.**
- We must account for the aid the student has received already in Fall.
    - $4,840 - $2,750 disbursed in fall = $2,090 is the student's new Spring eligibility

There are circumstances where we do not have to make this adjustment. For example, if you are registered for 15 credits in Spring and only withdrew from 3 (9+15 = 24, which equals full time enrollment for the *year*). **Please visit Student Financial Services to discuss the possible implications of withdrawing from your classes.**

Legacy Exception for Parent PLUS Loans

There are new limits to Parent PLUS Loans. Students must retain their **legacy** status to avoid the new limits. Students may qualify for the legacy exception if:

- They remain **continuously enrolled** in the **same program of study at the same institution** as they were enrolled **as of June 30, 2026**, *and*

- They had a **direct loan disbursed** (direct subsidized or unsubsidized or Parent PLUS) **for that same program before July 1, 2026**, *and*
- They are within their expected time to credential, which is the lesser of:
  - Three years, *or*
  - The published program length (defined as the minimum amount of time in weeks, months, or years for a **full-time student** to complete the degree requirements) minus the time you have spent enrolled
    - If you have been enrolled part-time, then there may be limits to your eligibility.
    - Any credits transferred into the program must be included and counted as time enrolled, including dual enrollment credits taken in high school

Students lose their Legacy Exception if they interrupt their enrollment without taking an approved leave of absence or attend beyond their expected time to credential. Students should consult with Student Financial Services if they are going to withdraw from classes, take a leave of absence, or delay graduation.

Changes to Parent PLUS Borrowing Loan Limits

There are new loan limits for the Parent PLUS Loan program. Students who lose their Legacy Exception will be subject to:

- $20,000 per dependent student, per year (annual limit)
- $65,000 per dependent student, in total (aggregate limit)
  - If legacy is lost, all prior loans borrowed count towards this limit.

Loan Repayment Plan Changes

Any federal loans borrowed **on or after** July 1, 2026, can only be repaid under one of two new, fixed repayment plan – the Tiered Plan and the Repayment Assistance Plan.

All federal loans must be repaid using the same repayment plan. Students with older loans (borrowed before July 1, 2026) who take out new loans on or after that date will have to repay their loans under one of these two options.

	Repayment Plan Options	**Forgiveness/Cancellation Options**
Have **only** borrowed federal direct loans **before** July 1, 2026	• 10-year standard repayment plan • Extended repayment Plan • Graduated Repayment Plan • Income Contingent (ICR) Plan • Income-Based Repayment (IBR) Plan	• Time-based Forgiveness • Public Service Loan Forgiveness
Have **only** borrowed federal direct loans on/after July 1, 2026	• Tiered Standard Plan • Repayment Assistance Plan (RAP)	• PSLF while on RAP
Have borrowed federal direct loans **both before and after** July 1, 2026	• Tiered Standard Plan • Repayment Assistance Plan (RAP)	• PSLF while on RAP