Temple University
Student Financial Services

Federal Loan Changes: What New Parent PLUS Loan Borrowers Need to Know

This handout contains information that pertains to parents borrowing for a Parent PLUS Loan for a student for the first time after July 1, 2026.

Changes to Borrowing Loan Limits

There are new loan limits for the Parent PLUS Loan program.

- $20,000 per dependent student, per year (annual limit)
- $65,000 per dependent student, in total (aggregate limit)

Plan Accordingly

The new aggregate limit of $65,000 means that borrowing the annual maximum for a four-year undergraduate program will cause parents to reach the aggregate limit **before** the student completes their degree, leaving them without further access to the Parent PLUS loan.

- Borrowing an annual amount of $16,500 permits the parent to borrow for all 4 years.
- Two parents cannot combine their eligibility in one year. Students may receive no more than $20,000 in Parent PLUS Loan funds, regardless of which parent borrows.
- The student cannot benefit from more than $65,000 in **total** Parent PLUS Loans between both parents.

What if a Parent PLUS Loan borrower needs more than the annual borrowing limit, or reaches the aggregate limit before the student graduates?

Discuss other financing options with Student Financial Services, such as external scholarships, payment plans, or private loans.

Loan Repayment Plan Changes

Any federal Parent PLUS Loans borrowed on or after July 1, 2026 (including federal consolidation loans that include Parent PLUS Loans) can only be repaid under a single new, fixed repayment plan.

- Tiered Standard Repayment
  - Fixed monthly payments
  - Repayment term lengths range from 10 to 25 years, depending on the amount borrowed.

All federal loans must be repaid using the same repayment plan. Parents 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 the Tiered Plan, even if they were for a different student.

Parents who want access to an income-driven repayment plan and/or loan forgiveness for their Parent PLUS Loans must:

- Have consolidated their Parent PLUS Loans into a Direct Consolidation Loan prior to July 1, 2026 and are **enrolled in the income-contingent repayment (ICR)** plan prior to July 1, 2028, *and*
- Not have borrowed a new Parent PLUS Loan on or after July 1, 2026

Parent PLUS Loans & Public Service Loan Forgiveness (PSLF):

The new tiered standard repayment plan does not count as a qualifying repayment plan for PSLF purposes. As a result, borrowing a new Parent PLUS Loan on or after July 1, 2026, prevents borrowers from receiving PSLF, even if they have already made qualifying payments, as all Parent PLUS loans must be repaid under the new tiered standard repayment plan. Parents who are planning to borrow a Parent PLUS Loan on or after July 1, 2026, but who want to preserve their eligibility for PSLF, may want to carefully consider other ways to help finance their dependent student's education.

	Repayment Plan Options	**Forgiveness/Cancellation Options**
Have only borrowed Parent PLUS Loans **before** July 1, 2026	• 10-year standard repayment plan • Extended repayment Plan • Graduated Repayment Plan • Income Contingent (ICR) Plan (as part of a Direct Consolidation Loan prior to July 1, 2026) • Income-Based Repayment (IBR) Plan (if part of a Direct Consolidation Loan prior to July 1, 2026 with at least one payment made)	• Time-based Forgiveness • Public Service Loan Forgiveness
Have only borrowed parent PLUS loans on/after July 1, 2026	• Tiered Standard Plan	• None
Have borrowed Parent PLUS Loans both before and after July 1, 2026	• Tiered Standard Plan	• None
Have consolidated Parent PLUS Loan(s) on/after July 1, 2026	• Tiered Standard Plan	• None