

Important Upcoming Changes Under One Big Beautiful Bill Act (OBBBA) Effective July 1, 2026

Beginning **July 1, 2026**, significant federal student loan changes take effect under the **One Big Beautiful Bill Act (OBBBA)**:

Elimination of Graduate PLUS Loans (Colorado & Utah campuses only)

- **Graduate PLUS Loans will no longer be available for new borrowing starting July 1, 2026.**
- Students who borrowed a Grad PLUS Loan **before** July 1, 2026, may retain access to the previous program rules for up to three additional years as “continuing borrowers.”
- Continuing students may not be eligible based on their program length and the number of years already completed in the program.
- Gap funding will need to come from other sources such as private loans, scholarships, or self-pay.

New Borrowing Limits for Graduate/Professional Students

For loans disbursed on or after July 1, 2026:

- **Graduate programs:** capped at **\$20,500 per year Unsubsidized** and **\$100,000 aggregate**.
- **Professional programs (D.O.)** are capped at **\$50,000 per year Unsubsidized** and **\$200,000 aggregate**.
- **Loan lifetime limits will apply from prior enrollment years.**
- **Interest rates for the 26-27 federal loan are forthcoming.**

Application Process

Students apply for federal loans through the **FAFSA** at studentaid.gov, using the RVU federal school code **042189**. Entrance Counseling and Master Promissory Notes are required.

To receive federal loans, students must be US citizens or permanent residents, remain enrolled at least half-time, maintain satisfactory academic progress, and not be in default on prior federal loans.

RVU Federal Student Loan Updates: OBBBA Changes Effective July 1, 2026

This chart provides an overview of current federal student loan rules and the upcoming changes under the One Big Beautiful Bill Act (OBBBA), effective July 1, 2026*.

Comparison Table: Current vs. New Rules

Category	Current Rules	New OBBBA Rules (July 1, 2026)
Loan Types	Unsubsidized + Grad PLUS	Grad PLUS eliminated; only Unsubsidized
Grad Annual Limit	\$20,500	\$20,500 (unchanged)
Grad Aggregate	\$138,500	\$100,000 Unsub only
Professional Annual	Grad PLUS up to COA	\$50,000 Unsub only
Professional Aggregate	No federal cap	\$200,000 Unsub only
Repayment Plans	Multiple IDR plans	Only Standard + RAP
Income Driven Repayment Options	IBR, PAYE, ICR, SAVE	PAYE/ICR/SAVE closed for new borrowers; RAP primary and Standard
RAP	N/A	1–10% AGI; 30-year forgiveness
Continuing Borrowers	A combination of Unsubsidized and Unlimited Grad/Plus up to the full COA	Old rules up to <u>3 academic years or until completion of program whichever is less, for students who borrowed for D.O. and eligible Title IV Masters programs prior to July 1, 2026,</u>

*Subject to change by Final Rule Determination by the DOE

Disbursements & Refunds

Loans are typically processed for an academic year and disbursed on semester basis, typically within 14 days after the start of each term. Loan funds are applied to the student account, and any resulting credit balance is refunded to the student within approximately 14 business days after disbursement.

Grace Period & Exit Counseling

A one-time 6-month grace period is automatically applied after a student ceases at least half-time enrollment. Exit Counseling is required for students who borrowed Graduate PLUS Loans (for those with loans disbursed before July 1, 2026).

Repayment & Planning Tools

Repayment begins 6 months after students drop below half-time enrollment. Monthly payment amounts depend on total borrowing and the selected repayment plan. Students may review repayment strategies using the Loan Simulator at studentaid.gov.

Repayment System Changes

As of **July 1, 2026**, federal student loan repayment options are simplified:

- Only **two repayment plans** remain for new borrowers:
 - A revised **Standard Repayment Plan**
 - The new **Repayment Assistance Plan (RAP)**, which bases monthly payments on a sliding percentage (1–10%) of adjusted gross income and provides forgiveness after 30 years.

Legacy plans such as **PAYE, ICR, and SAVE** will no longer accept new enrollees and sunset by July 1, 2028.

For any additional questions, please contact Student Financial Services.