



# HOW THE **BIG, BEAUTIFUL BILL** IMPACTS STUDENT BORROWERS



The One Big, Beautiful Bill brings major changes to federal student loan programs starting July 1, 2026. These changes will directly affect how students and families plan, borrow, and repay the cost of higher education. With tuition, living expenses, childcare, and healthcare costs continuing to rise, these changes will add new challenges for many households. Early financial planning and flexible support from trusted financial institutions, like us, will be critical in helping borrowers, like you, work toward long-term stability.

## NEW BORROWING LIMITS

### Graduate Students

- **Elimination of Grad PLUS loans** - previously allowed borrowing up to full cost of attendance
- **New annual cap:** \$20,500 for master's programs
- **Lifetime limit:** \$100,000 (down from \$138,500)
- **Professional programs** (medical/law): \$50,000 annually, \$200,000 lifetime

### Parent PLUS Loans

- Annual cap: \$20,000 per student
- Lifetime limit: \$65,000 per student
- Loss of income-driven repayment options after July 2026

👉 **Overall Impact:** Families pursuing graduate education will face significant funding gaps, particularly for expensive professional programs.

## SIMPLIFIED REPAYMENT OPTIONS

*(starting July 2026)*

### For NEW Borrowers

#### Only 2 plans available:

- **Standard Plan:** Fixed payments over 10-25 years based on loan balance
- **Repayment Assistance Plan (RAP):**
  - Income-based with mandatory \$10 minimum monthly payment
  - Forgiveness after 30 years (extended from 20-25 years)
  - No \$0 payment option (eliminates current benefit for lowest-income borrowers)
  - Interest waiver on unpaid amounts after monthly payment

### For CURRENT Borrowers

- Can keep existing plans if **no new loans taken after July 1, 2026**
- Income-Based Repayment (IBR) remains available with modifications

👉 **Overall Impact:** Families with new loans will have fewer repayment options and less flexibility to manage student debt, increasing financial stress for the lowest-income households.

Visit [studentaid.gov](https://studentaid.gov) for the latest federal guidance.

We can help. Contact us today!

