Federal Loan Changes
Effective July 1, 2026

As a result of the One Big Beautiful Bill Act (OBBBA) passed on July 4, 2025, there are several significant loan changes that could impact our students (https://studentaid.gov/announcements-events/big-updates/definitions). Below are examples of how the new loan changes may affect you, the student, so that you may anticipate what to expect going forward.

Loan Eligibility Reduced When Attending Part Time

All students at NWCCD are considered full-time if they enroll in and attend 12 or more credits per semester. If you enroll in less than 12 credits, your loan eligibility **will be impacted**.

NWCCD Policy: To determine your Direct Loan eligibility, we will confirm your enrollment at the time your loan is disbursed. Any changes to your enrollment after the initial disbursement will impact future disbursements. A student cannot borrow more than half of the allowable loan amount in each semester. This means unequal disbursements or requesting the full amount in a single semester is no longer an option. For example, if your maximum annual loan amount is $5,500, you cannot borrow more than $2,750 each semester. You cannot borrow $3,00 in fall and $2,500 in spring; nor can you borrow $5,500 all in one semester.

Examples of changes to your enrollment and eligible loan amounts

A. Example #1: first-year dependent student enrolled full-time in both fall and spring semesters, no changes to enrollment during the academic year; max award amount available $5,500, or $2,750 per semester.

Fall semester	Credits	Max loan eligibility		Spring semester	Credits	Max loan eligibility
Planned enrollment	12	$2,750		*Planned enrollment*	12	$2,750
Completed enrollment	12	$2,750		*Completed enrollment*	12	$2,750

B. Example #2: second-year independent student enrolled part-time in both fall and spring semesters, no changes to enrollment during the academic year; maximum loan eligibility if attending full-time is $10,500 or $5,250 per semester.

Fall semester	**Credits**	**Max loan eligibility**		**Spring semester**	**Credits**	**Max loan eligibility**
Planned enrollment	9	$3,938		*Planned enrollment*	11	$4,830
Completed enrollment	9	$3,938		*Completed enrollment*	11	$4,830

Total number of credits enrolled in academic year = 20 credits (9 fall + 11 spring)

Number of credits in full-time year = 24 credits

Annual loan limit = $10,500; $5,250 max per semester

Schedule of reductions percentage fall = 75% (9 credits / 12 total credits)

Schedule of reductions percentage spring = 92% (11 credits / 12 total credits) 91.6% = round up to 92%

Maximum fall loan student can borrow = $5,250 * 75% = $3,937.50 = round up $3,938

Maximum spring loan student can borrow = $5,250 * 92% = $4,830

C. Example #3: a first-year dependent student enrolled full-time at time of loan disbursement but drops to half-time after loan is disbursed; maximum loan eligibility if attending full time is $5,500 for the year or $2,750 per semester.

Fall semester	**Credits**	**Max loan eligibility**		**Spring semester**	**Credits**	**Max loan eligibility**
Planned enrollment	12	$2,750		*Planned enrollment*	12	$2,750
Completed enrollment (student dropped 6 credits after midterm, completes 6 credits fall)	6			*Even though student is full-time for spring, eligibility must be reduced because of the number of credits completed in the fall semester*	12	$0

Fall enrollment (actual) = 6 credits; while the student was in 12 credits at the time the loan was disbursed, the school is required to determine the number of credits a student completes in the fall to determine what their loan eligibility is for the spring semester.

Spring enrollment = 6 credits

Total number of credits enrolled in academic year = 12 credits (6 fall + 6 spring)

Number of credits in full-time year = 24 credits

Schedule of reductions percentage = 50% (12 credits / 24 total credits)

Annual loan limit = $5,500

Reduced annual loan amount = $5,500 x 50% = $2,750 total maximum annual loan limit – student already borrowed full max eligible amount in fall at $2,750 so student would not have any remaining loan eligibility for spring.

D. Example #4: a Nursing student with 9 credits planned each semester, adds a class for spring to be full-time and graduate (maximum loan eligibility if attending full time is $6,500 for the year, or $3,250 per semester)

Fall semester	Credits	Max loan eligibility		Spring semester	Credits	Max loan eligibility
Planned enrollment	9	$2,438		*Planned enrollment*	9	$2,437
Completed enrollment	9	$2,438		*Added a final course to qualify for graduation*	12	$3,282

Fall enrollment (actual) = 9 credits

Spring enrollment = 12 credits (added 3 credits to graduate, before spring loan is disbursed)

Total number of credits enrolled in academic year = 21 credits (9 fall + 12 spring)

Number of credits in full-time year = 24 credits

Schedule of reductions percentage = 87.5% (21 credits / 24 total credits); round up to 88%

Annual loan limit = $6,500

Reduced annual loan amount = $6,500 x 88% = $5,720 total maximum annual loan limit – student already borrowed $2,438 fall, can borrow $3,282 max in spring

Important points to remember:

- You will continue to qualify for the maximum loan amount if you enroll in and stay in 12 or more credits per term.
- Withdrawing from fall courses mid-semester will likely result in reduced loan eligibility in the spring semester.
- Single semester loans, or unequal loan amounts each semester, are no longer an option.

Lifetime Loan Limits Are Reduced

Significant total (aggregate) loan changes were made, but most of these affect graduate and professional students. However, there are two new limitations that may impact you now or in the future, depending on your educational goals. In the following paragraphs, the term "program of study" refers to the degree type the student is working towards, not their major. For example, an associate's degree and not Nursing.

Lifetime Loan Limits

The Department of Education will be limiting the total amount that a student can borrow in federal student loans over their lifetime. Going forward, no student can borrow more than $257,500 throughout their lifetime, even if they pay off some or all of their loans. Paying off any amount of previously borrowed loans will not allow you to borrow more. The $257,500 maximum does not include Parent PLUS loans.

Limited Exception: Students are not subject to the new lifetime loan limit for up to three academic years or the remainder of their expected time to credential (whichever is less) 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 for that same program before July 1, 2026.

Parent PLUS Loans Now Limited

All parents (combined) may borrow $20,000 per year per dependent student and a $65,000 aggregate limit per dependent student (without regard to amounts forgiven, repaid, cancelled or discharged).

Limited Exception: Parents are not subject to the new PLUS loan limits for up to three academic years or the remainder of the student's expected time to credential (whichever is less) if the student remains continuously enrolled in the same program of study at the same institution as they were enrolled as of June 30, 2026, and either the parent had a Parent PLUS Loan disbursed for that same program before July 1, 2026, or the student had a Direct Loan (subsidized or unsubsidized) disbursed for that same program before July 1, 2026. For more information see: What New Parent Borrowers Need to Know and What Current Parent Borrowers Need to Know

Timing of Loan Disbursements

Because of the new regulations and many nuanced eligibility details, loan calculations will need to be highly individualized. This could result in additional time to calculate. NWCCD will always package you assuming full-time enrollment but will recalculate your eligibility once the add/drop dates pass. This could lead to slightly delayed loan disbursements. Please be assured we will work as quickly as possible to disburse loan funds to all borrowers and will notify you via your college email account once the loan funds are disbursed to your account.