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 could impact future disbursements.

Example: a first-year dependent student (typical loan eligibility if attending full time is $5,500 for the year or $2,750 per semester):

	Fall Credits	Fall Loan (Total Max Elig)	Spring Credits	Spring Loan (Total Max Elig)
Planned Enrollment	12	$2,750	12	$2,750
Actual Enrollment, including withdrawn courses	12 *(but then drops 6-credits after midterm, completes 6 credits)*	$2,750	6	$0 *(Even though the student is full-time for spring, eligibility must be reduced because of the dropped credits in the fall semester)*

Fall enrollment (actual) = 6 credits
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.

Example: a Nursing student with 9 credits planned each semester (typical loan eligibility if attending full time is $6,500 for the year or $3,250 per semester):

	Fall Credits	Fall Loan (Total Max Elig)	Spring Credits	Spring Loan (Total Elig)
Planned Enrollment	9	$2,438	9	$2,437
Actual Enrollment, including withdrawn courses	9	$2,438	12 *(added a final course to qualify for graduation)*	$3,282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.

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:

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 their loans. Paying off any amount of previously borrowed loans will not allow you to borrow more.

Parent PLUS Loans Now Limited

If your parent(s) have utilized Federal PLUS Loans for you or your siblings, they were never limited to the total amount that could be borrowed. Going forward, each parent can borrow up to $20,000 per year per student, and a maximum of $65,000 per student. This may not have an impact while you attend NWCCD but it could limit your parent's borrowing capacity should you choose to pursue a Bachelor's Degree after you graduate.

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 award 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 once the loan funds have been disbursed to your account.