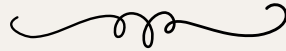


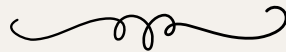


STUDENTS AND PARENTS

What you should know about planning and paying for college following passage of the Budget Reconciliation Law



While this legislation may change how you fund college, it's important to know that the changes are manageable and you should not be deterred from pursuing an education and accomplishing your career goals.



Budget Reconciliation and Paying for College

Congress passed and the President signed legislation that will impact how students and parents plan and pay for college. The rules are still being written for these changes, but most changes are likely to be implemented in 2026 and will not immediately impact students in the 2025-26 academic year.

Little direct impact on undergraduate students



The good news for most undergraduate students is they will not likely see any impact on the availability of federal funding for college. The bill did not include any changes to student loan limits for full-time undergraduate students and there were no changes to the Pell Grant funding for students who have financial need. The Pell Grant program was expanded to include workforce programs – making it available to more students who want to pursue other types of career training. Loan amounts for students who attend less than full time will now be prorated based on the student's enrollment.

Parents of undergraduate students who plan to borrow Parent (PLUS) loans for their student will have new limitations on how much they can borrow. The legislation caps PLUS loan amounts at \$20,000 per year with a \$65,000 total limit per student. Parents who want to borrow more may need to research other options, including state or private loan programs.

Impact on graduate students

Graduate students will be able to borrow up to \$20,500 (\$100,000 lifetime) and students in professional programs (such as law or medicine) can borrow up to \$50,000 per year (\$200,000 lifetime) in Direct Unsubsidized Loans. However, the legislation eliminated the Grad Plus program so a student who needs more funding and wants to borrow money will need to consider state or private loans.

