

Important Definitions

Direct Subsidized Loans and Direct Unsubsidized Loans have three different types of loan limits:

1. **Annual loan limit**—The maximum loan amount you can borrow each academic year
2. **Aggregate loan limit**—The maximum amount of unpaid principal balance minus any capitalized interest that you can have outstanding at any point in time on all of your subsidized and unsubsidized loans for undergraduate, graduate, or professional study
3. **Lifetime maximum loan limit**—The maximum amount you can receive, regardless of any amount paid or discharged, in any combination of subsidized loans, unsubsidized loans, and PLUS loans for graduate or professional study

The annual and aggregate limits vary depending on your program of study and, for undergraduate students, how far along you are in your program and whether you're a dependent or an independent student.

The charts that follow show the annual and aggregate loan limits for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans. The actual amount you're eligible to borrow for an academic year might be less than the maximum annual amounts shown in the charts. For example, you can't borrow more than your cost of attendance minus other aid that you've received. Additionally, your school or institution may limit the amount you can borrow based on your program of study, as long as any such limit is applied consistently to all students enrolled in that program of study.

The charts compare the pre- and post-July 1, 2026, loan limits. Note that the new loan limits apply to all students who aren't eligible for what's called the "[interim exception](#)." Students who are eligible for the interim exception will continue to have access to the pre-July 1, 2026, loan limits for an additional amount of time. If this applies to you, contact the financial aid office at your school to determine the length of time you'll qualify for the exception.

If you're enrolled less than full time for an academic year, your annual loan limits shown in the chart (or the lower limits set by your school) are adjusted downward proportionally based on your level of enrollment.

1. ANNUAL LOAN LIMITS

Dependent undergraduate students (unless your parent is unable to obtain a Direct PLUS Loan for parents (i.e., a parent PLUS loan) due to adverse credit)

Year	Pre- <i>OBBBA</i> Limit	New Limit
First Year Total	\$5,500 (not more than \$3,500 can be subsidized)	No change
Second Year Total	\$6,500 (not more than \$4,500 can be subsidized)	No change
Third Year & Beyond (Total Each Year)	\$7,500 (not more than \$5,500 can be subsidized)	No change

Independent undergraduate students (and dependent students, if your parent is unable to obtain a parent PLUS loan due to adverse credit)

Year	<i>Pre-OBBBA</i> Limit	New Limit
First Year Total	\$9,500 (not more than \$3,500 can be subsidized)	No change
Second Year Total	\$10,500 (not more than \$4,500 can be subsidized)	No change
Third Year & Beyond (Total Each Year)	\$12,500 (not more than \$5,500 can be subsidized)	No change

Graduate students

	<i>Pre-OBBBA</i> Limit	New Limit (for those ineligible for the interim exception)
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Total Amount (Each Year) for unsubsidized loans	\$20,500 (unsubsidized only)	No change
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Total Amount (Each Year) for PLUS loans	Cost of attendance minus other aid received (Direct PLUS Loans for graduate or professional borrowers only)	Direct PLUS Loans for graduate borrowers are no longer available.
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Professional students*

	Pre- <i>OBBBA</i> Limit	New Limit (for those ineligible for the interim exception)
Total Amount (Each Year) for unsubsidized loans	\$20,500 (unsubsidized only)	\$50,000 (unsubsidized only)

Total Amount (Each Year) for PLUS loans	Cost of attendance minus other aid received (Direct PLUS Loans for graduate or professional borrowers only)	Direct PLUS Loans for professional borrowers are no longer available.
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*Students who are enrolled in health profession programs and who previously were eligible for higher annual and aggregate limits can continue to receive loans at those higher limits while they remain eligible for the interim exception. However, once the student takes an action that causes them to lose eligibility for the exception, they'll become subject to the new borrowing limits listed above.

Parent borrowers

	Pre- <i>OBBBA</i> Limit	New Limit (for those ineligible for the interim exception)
Total Amount (Each Year) for parent PLUS loans	Cost of attendance minus other aid received	\$20,000 on behalf of each student

2. AGGREGATE LOAN LIMITS

Dependent undergraduate students (unless your parent is unable to obtain a parent PLUS loan due to adverse credit)

	Pre- <i>OBBBA</i> Limit	New Limit
Total Amount (includes all subsidized and unsubsidized loans received for undergraduate study)	\$31,000 (not more than \$23,000 can be subsidized)	No change

Independent undergraduate students (and dependent students, if your parent is unable to obtain a parent PLUS loan due to adverse credit)

	Pre- <i>OBBBA</i> Limit	New Limit
Total Amount (includes all subsidized and unsubsidized loans received for undergraduate study)	\$57,500 (not more than \$23,000 can be subsidized)	No change

Graduate students

	Pre- <i>OBBBA</i> Limit	New Limit (for those ineligible for the interim exception)
Total Amount (includes all subsidized and unsubsidized loans received for graduate study)	\$138,500*	\$100,000 (for borrowers who are not and have never been professional students)

The *pre-*OBBBA* limit includes loans received for undergraduate study.

Professional students*

	Pre- <i>OBBBA</i> Limit	New Limit (for those ineligible for the interim exception)
Total Amount (includes all subsidized and unsubsidized loans received for graduate and/or professional study)	\$138,500†	\$200,000 minus any amount that was received as a graduate student

*Students who are enrolled in health profession programs and who previously were eligible for higher annual and aggregate limits can continue to receive loans at those higher limits while they remain eligible for the interim exception. However, once the student takes an action that causes them to lose eligibility for the exception, they'll become subject to the new borrowing limits listed above.

†The pre-*OBBBA* limit includes loans received for undergraduate study.

Parent borrowers

	Pre- <i>OBBBA</i> Limit	New Limit (for those ineligible for the interim exception)
Total Amount	No Limit	\$65,000 on behalf of each student from all parents' combined borrowing*

*For example, if Parent A borrows \$50,000 on behalf of their first child and Parent B borrowers \$15,000 for that same child, the total is \$65,000 borrowed between both parents on behalf of that child. Those parents can't take out any further loans on behalf of that child, but they can take out up to \$65,000 in loans on behalf of a second child (and so on for each of their children).

3. LIFETIME MAXIMUM LOAN LIMIT FOR STUDENT BORROWERS

	Pre- <i>OBBBA</i> Limit	New Limit
Total Amount*	No Limit	\$257,500

*This includes the following Direct and Federal Family Education Loan (FFEL) Program loan types: subsidized loans, unsubsidized loans, and PLUS loans for graduate or professional students (regardless of any amounts paid or discharged).

Loan Limits Interim Exception

If you meet certain requirements, you'll have a period of time *after* July 1, 2026, during which you might be eligible for a Direct Loan under the pre-*OBBBA* [loan limits](#). This is called the "interim exception."

If you qualify for the interim exception, you'll be exempt from certain loan limits and loan eligibility changes for the lesser of

- three academic years or
- the difference between the published length of the program of study you (or the child you're borrowing for) are enrolled in and the period of time you (or your child) have completed in that program.

Undergraduate Students and Parent PLUS Borrowers

You qualify as an eligible undergraduate student under the interim exception to allow your parent to receive a Direct PLUS Loan for parents *if* you

- were enrolled in a program of study at a school as of June 30, 2026;

- received at least one Direct Loan, or your parent received a Direct PLUS Loan on your behalf, for such program of study, before July 1, 2026; and
- are enrolled at the same school and are seeking the same credential after July 1, 2026, and have not ceased to be enrolled seeking the same credential at the same school at any point on or after July 1, 2026. An approved leave of absence is not considered to be a break in enrollment.

“Credential” refers to the degree you’re seeking, for example, a bachelor’s or associate degree. You can’t change credential level and maintain eligibility for the interim exception, but **you can change majors within your credential**.

Graduate and Professional Students

You qualify as an eligible graduate or professional student under the interim exception only if you

- were enrolled in a program of study at a school as of June 30, 2026;
- received at least one Direct Loan for such program of study prior to July 1, 2026; and
- are currently enrolled at the same school in the same program of study for the same credential and haven’t ceased to be enrolled in the same program for the same credential at the same school at any point on or after July 1, 2026. An approved leave of absence is not considered to be a break in enrollment.

If you’re a graduate or professional student and you’re considering changes to your graduate concentration or any other changes to your program of study, we encourage you to consult with the financial aid office at your school to determine if that change will affect your eligibility for the interim exception.

Additional Details About the Interim Exception

- If you qualify for the interim exception, you’re not permitted to opt out of it to borrow under the new *OBBBA* limits, regardless of whether you’re an undergraduate, graduate, or professional student or the parent of a dependent undergraduate student.
- If you attended a school and qualified for the interim exception while at that school, but now that school is merging into another school, then you’ll continue to qualify for the exception.
- If you attended a school that closed, you qualified for the interim exception while at the closed school, *and* you transfer to another school that hasn’t made arrangements with the closed school for a teach-out, then you **won’t**

continue to qualify for the exception. If you transfer to another school that has a teach-out agreement with the closed school, then you'll continue to qualify for the exception.

Elimination of Federal Graduate Direct PLUS Loan for New Borrowers in 2026-27

The [One Big Beautiful Bill Act \(OBBBA\)](#) establishes new loan limits for the Direct PLUS Loan Program and will gradually end PLUS loan eligibility for graduate and professional students. The law defines an exception that allows eligible graduate and professional students to continue borrowing Direct PLUS Loans during their expected time to credential.

Starting July 1, 2026, “expected time to credential” means how long it should take you to finish your program. This amount of time is whichever is the shorter:

- Three academic years, or
- The remaining length of your program, based on how long the program is and how much of it you’ve already completed.

Limited Exception

Eligible Students: If you are a graduate or professional student, you may be eligible to borrow a Direct PLUS Loan under the limited exception for your expected time to credential only if you:

- were enrolled in a program of study at a school as of June 30, 2026;
- borrowed a Direct Loan for that program of study prior to July 1, 2026;
- are currently enrolled at the same school in the same program of study; and
- haven’t had any break in your enrollment in the same program and the same school at any time as of July 1, 2026.
[An approved leave of absence isn’t considered a break in your enrollment.]

Ineligible Students: Graduate and professional students who don’t (or no longer) qualify for this limited exception **are not eligible** to borrow Direct PLUS Loans.

A graduate student is defined as a student enrolled in a program of study that is above the baccalaureate level and awards a graduate credential (other than a professional degree) upon completion of the program.

A professional student is defined as a student enrolled in a program of study that awards a professional degree upon completion of the program. A professional student may not receive *Title IV* aid as an undergraduate student for the same period of enrollment.

A [Direct PLUS Loan](#) is commonly referred to as a grad [PLUS loan](#) when made to a graduate or professional student.

Who Is Eligible

To receive a grad PLUS loan, you must

- qualify for [the limited exception](#) established in the *OBBBA* and outlined above;
- be a graduate or professional student enrolled at least half-time at an eligible school in a program leading to a graduate or professional degree or certificate;
- not have an adverse credit history ([unless you meet certain additional eligibility requirements](#)); and
- [meet the general eligibility requirements for federal student aid](#).