Fall 2026 Federal Financial Aid Changes

EFFECTIVE
JUL 1
2026

UNIVERSITY OF CALIFORNIA

New federal rules change how undergraduate, graduate, and professional students borrow for college. Here is what is changing, and what to do about it.

01

ALL STUDENTS

Enrollment Level Can Reduce Loan Eligibility

Loan offers now scale with how many units you take. Full-time is **12 units per term** for undergraduates; for graduate programs full-time status depends on the program. Enroll full-time, stay full-time.

Ex: Full-time (12 units) **$1,800** — 75% — At 9 units **$1,350**

02

UNDERGRADUATES & PARENTS

Parent PLUS Loans Now Have Firm Caps

Starting this fall, Parent PLUS borrowing is capped for the first time:

$20,000
CAP PER YEAR

$65,000
LIFETIME CAP, PER STUDENT

At $20,000/year, the $65,000 lifetime cap is reached partway through year four — leaving only $5,000 of borrowing room that year. **Families planning to borrow the maximum every year should explore other funding options once the lifetime cap is reached.**

03

GRADUATE & PROFESSIONAL STUDENTS

Graduate PLUS Loans Are Closing to New Borrowers

If you already borrowed Graduate PLUS in your current program, you keep access. New students will need one of two paths:

Federal Direct Loans

Limit rises from $20,500 to **$50,000/yr** for designated programs (medicine, dentistry, law, pharmacy, optometry, clinical psych).

Private Loans

Likely path for most. Usually needs strong credit or a co-signer; no federal protections like public service forgiveness.

New lifetime cap, academic graduate: **$100,000**

New lifetime cap, professional degree: **$200,000**

04

EVERYONE REPAYING LOANS

Fewer Repayment Plans Going Forward

Repayment choices are narrowing to two options. Existing income-driven repayment plans begin phasing out in 2028. Contact your servicer for more information.

- **Standard Repayment Plan**
- **Repayment Assistance Plan (RAP)**
- **Phasing out: Income-Driven Plans**

Take Action

Talk to Financial Aid

Considering part-time enrollment, bumping up against the new Parent PLUS caps, or weighing alternatives to Graduate PLUS? **Contact your financial aid office** before finalizing your plans — they can walk you through options and how these changes apply to your situation.