

SUMMARY

President Donald J. Trump signed into law the One Big Beautiful Bill Act (Public Law 119-21) on July 4, 2025. Noteworthy changes in the bill that will affect affordability for University of California students include the following. Unless otherwise noted, the changes take effect on July 1, 2026.

- For undergraduate students:
 - Pell Grant cuts to a small number of UC students (<100 estimated).
 - New Parent PLUS loan aggregate (\$65,000) and annual (\$20,000) borrowing limits are being implemented.
- For graduate students:
 - The Graduate PLUS Loan for new borrowers is being eliminated.
 - Conversely, the annual borrowing limit for graduate professional degree-seekers will be expanded from \$20,500 to \$50,000 in the Direct Loan program.
 - New aggregate borrowing limits have been established for federal loans, as follows: a limit of \$100,000 for academic-degree graduate students and \$200,000 for professional-degree graduate students.
- For all students:
 - Proration of loans will be required for students enrolled part-time.
 - Institutional accountability will limit access to loans for students in programs that do not show a good return on investment.
 - Repayment options will be reduced to one income-based and one standard.

Together, these changes will make UC undergraduate and graduate programs less affordable and loans for students/families more needed and harder to obtain.

This summary was assembled with the help of UC Office of the President Institutional Research, as well as Federal Government Relations. The summary is based on the best information available and will be updated as necessary. The National Association of Student Financial Aid Administrators also released [a summary of federal student aid changes](#).

PELL GRANTS

Pell Grant recipients who have the entire cost of their college attendance covered by other gift aid (grants or scholarships) will lose the Pell Grant.

The University of California estimates that in 2023–24, 1,118 students had financial aid packages that provided gift aid, including \$7.8 million in Pell Grants, which equaled or exceeded the cost of attendance. However, only 74 of these students received Pell aid that exceeded their cost of attendance, so the lost federal grant for UC students would probably be quite small.

The loss of these grants is regrettable, but UC will not backfill, since the UC grant only covers up to the total cost of attendance (minus other aid and family contributions).

Figure 1: Pell Recipients with Entire Cost of Attendance (COA) Covered by Gift Aid

	Gift Aid Equals or Exceeds COA		Gift Aid Exceeds COA	
	Total Pell	Recipients	Exceeds COA	Recipients
Berkeley	\$2,452,160	358	\$5,618	4
Davis	\$603,303	85	\$16,793	14
Irvine	\$627,383	88	\$400	1
Los Angeles	\$1,802,954	260	\$12,710	13
Merced	\$470,372	65	\$7,661	8
Riverside	\$505,903	79	\$57,866	28
San Diego	\$948,805	129	\$5,958	3
Santa Barbara	\$151,280	21	\$6,861	1
Santa Cruz	\$230,805	33	\$3,276	2
System	\$7,792,965	1,118	\$117,143	74

PARENT PLUS LOANS

The law caps how much parents of dependent students can borrow through the federal Parent PLUS program.

- A limit of \$20,000 per year, per dependent student
- A limit of \$65,000 cumulative per student.

Only about 6 percent of UC undergraduates have parents that borrow money for their education, but those who do rely heavily on the program. As shown in Figure 2, 45 percent of California-resident borrowers and 91 percent of nonresidents exceeded the annual limit. It is

also worth noting that higher-income families are more likely to exceed the annual limit. The combined total of loans that exceeded the annual limit in 2023–24 was \$94 million.

Figure 2: Annual Parent PLUS Loans by Residency and Income, 2023–24

California Residents							
All Borrowers				Borrowed More than \$20,000			
	Count	PLUS Total	Mean	Count	% of All	Total Above Limit	Mean Over Limit
Less than \$60K	675	\$4,750,199	\$7,037	60	9%	\$463,860	\$7,731
\$60K to \$120K	2,754	\$30,123,237	\$10,938	300	11%	\$1,968,300	\$6,561
\$120K to \$180K	3,426	\$63,666,548	\$18,583	1,541	45%	\$8,928,554	\$5,794
Over \$180K	4,793	\$116,067,420	\$24,216	3,350	70%	\$29,426,400	\$8,784
Independent ¹	14	\$186,882	\$13,349	4	29%	\$29,624	\$7,406
CA Total	11,662	\$214,794,286	\$18,418	5,255	45%	\$40,816,738	\$7,767
Nonresidents							
All Borrowers				Borrowed More than \$20,000			
	Count	PLUS Total	Mean	Count	% of All	Total Above Limit	Mean Over Limit
Less than \$60K	538	\$22,565,801	\$41,944	484	90%	\$12,118,392	\$25,038
\$60K to \$120K	372	\$17,343,293	\$46,622	331	89%	\$10,156,735	\$30,685
\$120K to \$180K	313	\$15,709,610	\$50,190	295	94%	\$9,552,985	\$32,383
Over \$180K	715	\$35,626,480	\$49,827	660	92%	\$21,642,060	\$32,791
Independent	0	\$0	N/A	0	0%	\$0	\$0
NR Total	1,938	\$91,245,185	\$47,082	1,770	91%	\$53,470,172	\$30,209
Grand Total	13,600	\$306,039,471	\$22,503	7,025	52%	\$94,286,910	\$13,422

Figure 3 below shows these same borrowing patterns by campus.

¹ Only parents of dependent students can borrow through the PLUS program. However, some students change dependency status mid-year.

Figure 3: Annual Parent PLUS Loans by Residency and Campus, 2023-24

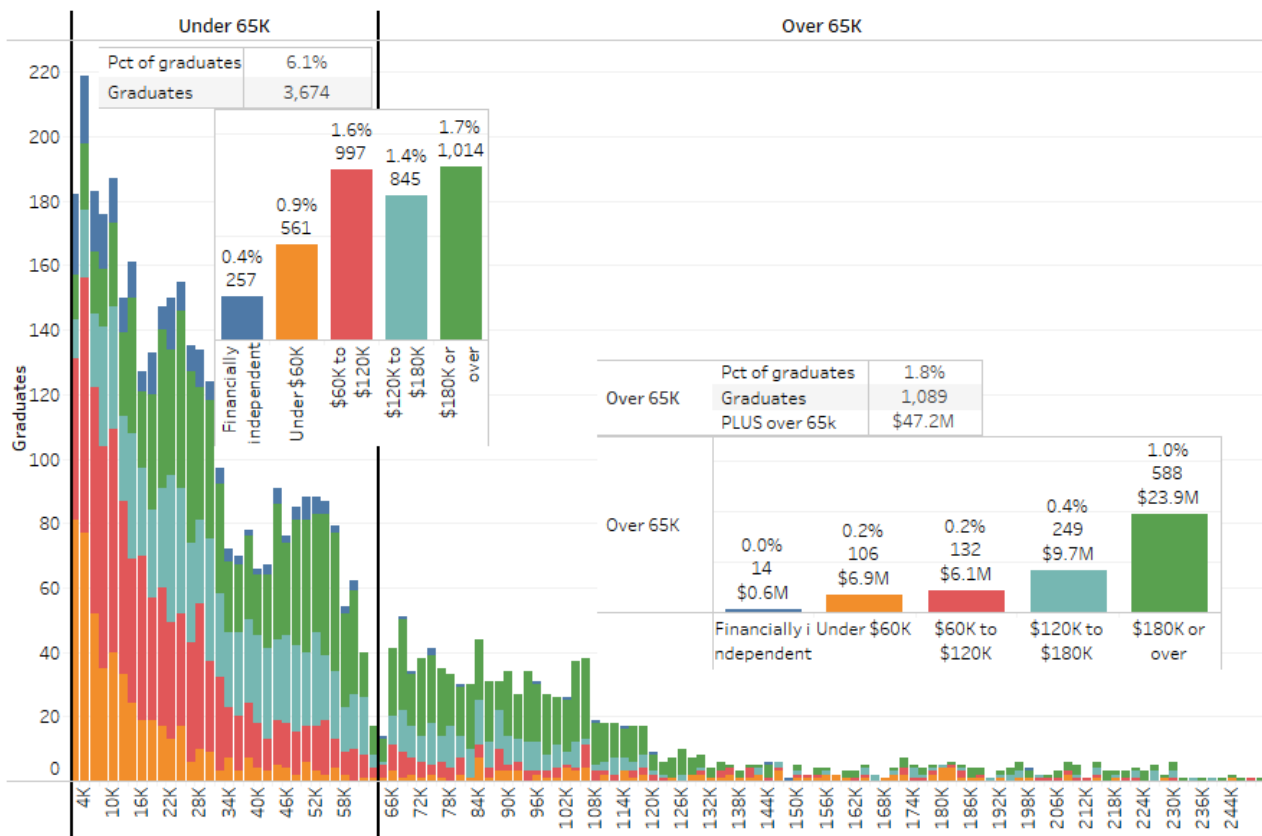
California Residents							
	All Borrowers			Borrowed More than \$20,000			
	Count	PLUS Total	Mean	Count	% of All	Total Above Limit	Mean Over Limit
Berkeley	1,137	\$22,325,541	\$19,635	558	49%	\$4,868,200	\$8,724
Davis	1,757	\$32,372,597	\$18,425	822	47%	\$6,195,673	\$7,537
Irvine	1,719	\$30,343,616	\$17,652	712	41%	\$5,040,083	\$7,079
Los Angeles	1,682	\$29,876,239	\$17,762	713	42%	\$5,565,523	\$7,806
Merced	566	\$9,154,306	\$16,174	202	36%	\$1,609,064	\$7,966
Riverside	1,193	\$23,038,721	\$19,312	575	48%	\$4,793,586	\$8,337
San Diego	1,012	\$17,941,187	\$17,728	421	42%	\$3,210,226	\$7,625
Santa Barbara	1,227	\$23,426,288	\$19,092	557	45%	\$4,988,403	\$8,956
Santa Cruz	1,369	\$26,315,791	\$19,223	695	51%	\$4,544,860	\$6,539
CA Total	11,662	\$214,794,286	\$18,418	5,255	45%	\$40,815,618	\$7,767
Nonresidents							
	All Borrowers			Borrowed More than \$20,000			
	Count	PLUS Total	Mean	Count	% of All	Total Above Limit	Mean Over Limit
Berkeley	350	\$17,244,065	\$49,269	327	93%	\$10,404,789	\$31,819
Davis	236	\$11,447,569	\$48,507	221	94%	\$6,812,474	\$30,826
Irvine	379	\$18,437,680	\$48,648	353	93%	\$11,022,021	\$31,224
Los Angeles	394	\$16,953,693	\$43,030	343	87%	\$9,342,491	\$27,238
Merced	6	\$217,518	\$36,253	5	83%	\$107,325	\$21,465
Riverside	32	\$1,634,684	\$51,084	30	94%	\$1,000,662	\$33,355
San Diego	289	\$13,066,768	\$45,214	257	89%	\$7,452,741	\$28,999
Santa Barbara	158	\$7,492,237	\$47,419	146	92%	\$4,422,068	\$30,288
Santa Cruz	94	\$4,750,971	\$50,542	88	94%	\$2,905,448	\$33,016
NR Total	1,938	\$91,245,185	\$47,082	1,770	91%	\$53,470,019	\$30,209
Grand Total	13,600	\$306,039,471	\$65,500	7,025	52%	\$94,285,637	\$37,976

By contrast, only about 30 percent of parents borrowed more than the lifetime cap per student of \$65,000. This is for two reasons:

- Transfer students whose parents borrow more than \$20,000 per year while at UC are still not likely to exceed the cumulative limit.
- Parents do find ways to avoid borrowing in one or more years of their students' tenure, often in the first year, when more outside scholarships are awarded.

Figure 4 shows that 1,089 students graduated in 2023–24 with Parent PLUS loan disbursements totaling \$65,000 or more, while 3,674 graduated with PLUS loans that were less than \$65,000. The total borrowed above the cap for that graduating class was \$47.2 million.

Figure 4: Cumulative Parent PLUS Borrowing for Students Graduating 2023–24



UNDERGRADUATE AND GRADUATE STUDENT LOANS

Students enrolled less than full-time would have loan eligibility prorated for their enrollment level. This is the only change to affect undergraduate loans. Since most UC students attend full-time, this may have an impact on fewer students at UC than at other schools. However, students who are unable to attend full-time as a result of medical concerns or family obligations would be negatively affected.

As Figure 5 shows, about 10 percent of UC students were enrolled in fewer than thirty-six quarter units (or twenty-four semester units) during the 2024–25 academic year.

Figure 5: Pell Student Enrollment, 2024–25

<i>Fewer than 6 units</i>	<i>50</i>	<i>0.1%</i>
<i>6 units to 17 units</i>	<i>2,513</i>	<i>2.9%</i>
<i>18 units to 35 units</i>	<i>6,288</i>	<i>7.2%</i>
36 units to 44 units	41,907	48.0%
45+ units	36,541	41.9%
Grand Total	87,299	100.0%

GRADUATE STUDENT LOANS

The new law eliminates the Graduate PLUS Loan Program for new borrowers (i.e., new students and continuing students who have not borrowed through the program), effective July 1, 2026. Nearly 6,800 UC graduate students borrowed \$223 million in 2023–24. Most of that sum was borrowed by professional-degree students at UC.

Figure 6: Graduate PLUS Loans by Campus, 2023–24

	Academic Degree Students			Professional Degree Students		
	Award	Borrowers	Average	Award	Borrowers	Average
Berkeley	\$1,704,309	76	\$22,425	\$48,670,902	1,277	\$38,113
Davis	\$8,076,219	251	\$32,176	\$26,659,888	842	\$31,663
Irvine	\$1,177,732	59	\$19,962	\$22,934,458	761	\$30,137
Los Angeles	\$3,344,978	163	\$20,521	\$73,702,339	1,842	\$40,012
Merced	\$95,554	5	\$19,111	\$41,000	2	\$20,500
Riverside	\$3,162,919	150	\$21,086	\$5,940,739	263	\$22,588
San Diego	\$3,454,549	167	\$20,686	\$7,052,945	273	\$25,835
San Francisco	\$2,861,307	94	\$30,439	\$12,717,916	469	\$27,117
Santa Barbara	\$1,233,438	64	\$19,272	\$240,801	13	\$18,523
Santa Cruz	\$320,886	16	\$20,055	\$43,199	5	\$8,640
System	\$25,431,891	1,045	\$24,337	\$198,004,187	5,747	\$34,453

Figure 7 shows the Graduate PLUS borrowing among professional students broken out by broad discipline. It may be worth noting that business students often choose loans from the private market, rather than selecting Graduate PLUS loans.

Figure 7: Grad Plus Loans by Broad Discipline, Professional Degrees, Professional Schools, 2023–24

Broad Discipline	Borrowers	Avg Award
Education	12	\$25,730
Law	1,453	\$42,025
Business-MBA	177	\$43,043
Medicine	682	\$24,938
Other Health Prof	974	\$26,379
Other non-health Professional	2,449	\$33,908

The deficit created by the elimination of Graduate PLUS will be met in three ways:

- Professional-degree students will be able to increase their borrowing through the federal Direct Loan — a separate loan program — which will serve many of their needs. (Academic graduate students will not.) How much this change will offset the loss of Graduate PLUS is described in Figure 8 below.
- The private market will meet the needs of many graduate students and parents of undergraduates, particularly for students in programs that are attractive to the market, like law and business.

UCOP manages the evaluation of private loan products for the system and approves which loan products can be promoted by campuses. As an example, the [UCSF ELMSelect site](#) lists approved products by type, for the benefit of students and parents.

Most private loan products require that students have good credit or a creditworthy co-signer. UC has loan products with approval rates as high as 75 percent. However, some students still will be denied.

- UC could explore expanding its own University Loan program for students who are not served by the first two options.

As noted above, professional degree students will have expanded access to federal Direct Loans. The annual maximum will increase from \$20,500 to \$50,000. Therefore, anyone who would have borrowed less than \$29,500 in Graduate PLUS would be able to continue to borrow the same amount annually through the expanded Direct Loan eligibility.

Figure 8 shows that a little over half (2,915 of the 5,747) of the professional-degree students taking out a Graduate PLUS loan borrowed more from that program in 2023–24 than would be covered by the expanded Direct Loan eligibility. The shaded portion of the chart shows how much remains that would need to be supplemented through the private market or university loans.

Figure 8: Professional Student Grad Plus Loans Not Offset by Increase in Direct Loan Limits, 2023–24

	Award	Borrowers	Average Annual Loan	Amount not Offset by Direct Loans	Average Amount not offset by DL
Berkeley	\$39,237,403	691	\$56,784	\$18,852,903	\$27,284
Davis	\$20,040,728	379	\$52,878	\$8,860,228	\$23,236
Irvine	\$17,204,330	384	\$44,803	\$5,876,330	\$15,255
Los Angeles	\$61,531,285	1,082	\$56,868	\$29,612,285	\$27,368
Merced					
Riverside	\$3,862,516	99	\$39,015	\$942,016	\$9,515
San Diego	\$4,809,104	113	\$42,558	\$1,475,604	\$13,058
San Francisco	\$7,916,616	162	\$48,868	\$3,137,616	\$20,530
Santa Barbara	\$178,199	5	\$35,640	\$30,699	\$6,140
Santa Cruz					
System	\$154,780,181	2,915	\$53,098	\$68,787,681	\$23,662

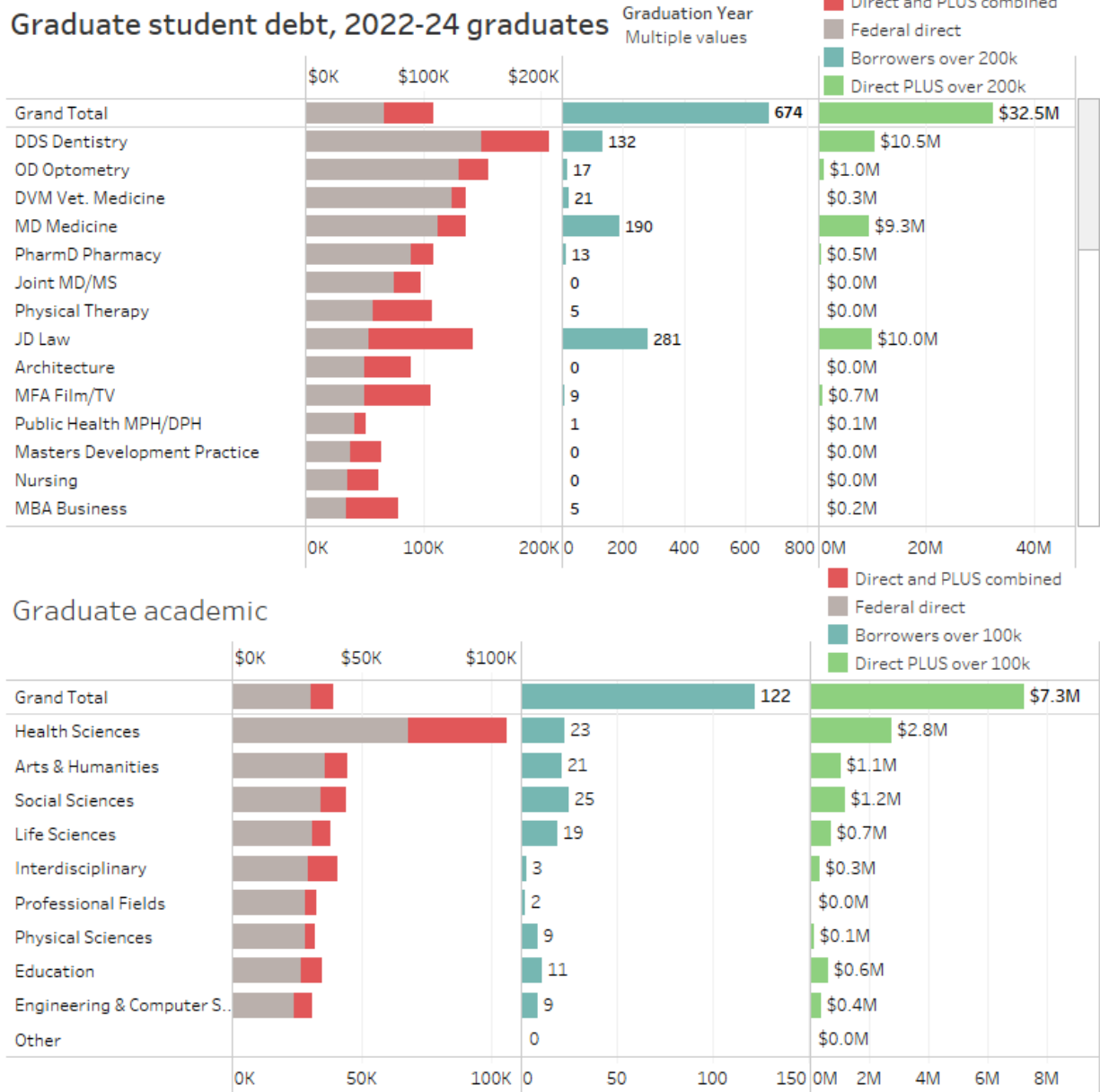
Figure 9 shows that these impacts are felt most acutely by law, medicine and other health professions.

Figure 9: Professional Student Grad Plus Loans Not Offset by Increase in Direct Loan Limits, 2023–24

Broad Discipline	Borrowers	Average Annual Loan	Average Amount not Offset by Direct Loans
Education	3	\$37,444	\$7,944
Law	1,009	\$52,805	\$23,305
Business-MBA	99	\$66,182	\$36,682
Medicine	286	\$40,234	\$10,734
Other Health Prof	384	\$50,694	\$21,194
Other non-Health Professional	1,134	\$56,315	\$26,815

A second big change in the graduate loan space is that there will be caps on cumulative borrowing of \$100,000 for academic graduate students and \$200,000 for professional graduate students. Figure 10 below shows the number of professional degree and academic students graduating with debt that exceeds these limits. Dentistry, medicine, and law are the most affected.

Figure 10: Graduate Student Cumulative Federal Debt Exceeding New Limits, 2023–24



ACCOUNTABILITY AND ACCESS TO LOANS

The new law directs the federal government to compare median earnings of cohorts of students who have exited programs within a certain timeframe against the earnings of high school or bachelor's degree graduates, depending on the programs' credential levels. Programs failing to meet earnings thresholds would lose eligibility to participate in the Direct Loan Program for two years.

It appears that the following programs could be in jeopardy, although regulatory details likely will change these estimates significantly:

- Up to 2,000 undergraduate students are enrolled in programs (primarily in the arts and humanities) that could be disqualified.
- Professional-degree and master's students in programs that could be disqualified numbered over 3,800.
- Fewer than two hundred academic doctoral and medical students would be affected.

STUDENT AND PARENT LOAN REPAYMENT OPTIONS

The new law narrows the current range of repayment options available to borrowers to two: a Standard option or a new Repayment Assistance Plan (RAP). Details of these changes will be forthcoming.