Summary of Changes for Federal Loans for 2026-2027

Delaware Law JD Student,

The One Big Beautiful Bill Act of 2025 (P.L. 119-121) and federal regulations issued in May include significant changes to federal student loan programs that will take effect beginning with the **2026-2027 academic year**.

How will these changes affect my federal loan eligibility?

Current Borrowers

Based on the interim exemption, if you previously borrowed a **Federal Direct Unsubsidized Loan** for your JD program at Delaware Law School and have borrowed for **fewer than three years** in the JD program, you remain eligible to borrow up to **$20,500** per year in a Federal Direct Unsubsidized Loan and may also apply for a **GradPLUS Loan**.

Students enrolled **less than full time** (at least 8 credits) will have their federal loan eligibility prorated.

4L Students and Other New Borrowers

The **interim exception** in the law is limited to the expected length of a full-time JD program at Delaware Law School (three years). Therefore, **4L students** will be considered **new borrowers** for purposes of federal loan eligibility.

New borrowers may:

- Borrow up to **$50,000 per academic year** in a Federal Direct Unsubsidized Loan.
- **Not** borrow a GradPLUS Loan. Private Loans remain an option.
- Be subject to loan proration if enrolled less than full time.

Current borrowers are **not eligible** to elect the new borrower loan terms. The law requires them to remain under the interim exception provisions.

In some cases, certain **3L students who borrowed under a Borrower-Based Academic Year** may also be considered new borrowers. The Financial Aid Office is seeking additional clarification from the U.S. Department of Education regarding these situations.

New Aggregate Loan Limits for Graduate and Professional Students

For new borrowers, the law establishes:

- A Professional Student Aggregate Loan Limit of $200,000.
- A Graduate Student Aggregate Loan Limit of $100,000.
- A Lifetime Federal Direct Loan Aggregate Limit of $257,500, including all undergraduate, graduate, and professional federal student loans.

Students with prior graduate or professional federal loan debt may reach these limits before completing their program. Note: the Aggregate Loan Limit for Undergraduate Students did not change.

Loan Reductions for Less Than Full-Time Enrollment

Beginning in 2026-2027, students enrolled less than full time will receive reduced federal loan eligibility.

At Delaware Law School, full-time enrollment is:

Regular Division (JD): 12 or more credits per semester
Extended Division (JD): 8-11 credits per semester
MJ & Graduate Certificate Student: 6 credits per semester
Legal Studies (Undergraduate): 12 credits per semester
Additional Information

Delaware Law School will continue to post updates as new information becomes available. A glossary of definitions has been posted. Additional federal student aid information is available at: **https://studentaid.gov**

Federal regulations are available here:
https://www.federalregister.gov/documents/2026/05/01/2026-08556/reimagining-and-improving-student-education-federal-student-loan-program-final-regulations