



Federal Student Loans changes resulting from the One Big Beautiful Bill Act

On 4 July 2025, the United States president signed the One Big Beautiful Bill Act (OBBBA) into law. These changes are due to come into effect from 1 July 2026 and will impact Federal Direct Loans.

The OBBBA refers to students as:

- **legacy** - if you are a continuing student here at the University of Sheffield
- **new** - if you are a student starting your studies/loan process after 1 July 2026 at the University of Sheffield

Below you will find a brief overview of the main changes and how this may impact funding your studies from the 2026-27 academic year onwards.

Undergraduate borrowing

Currently there are no changes to the annual Subsidised and Unsubsidised loan limits that can be borrowed by new and continuing undergraduate borrowers.

To review the annual loan limits dependent on year of study and dependency status, refer to the [Federal Student Aid Direct Subsidized and Direct Unsubsidized Loans web page](#).

Parent PLUS borrowing

There are **changes** to borrowing limits for new Parent PLUS Loan applicants which affect:

- Parents of those students who joined a course after 1 July 2026
- and
- Parents of continuing students where neither a student nor parent borrowed Financial Aid prior to 1 July 2026

The borrowing limit for all parents (combined) is \$20,000 per student per academic year from 1 July 2026, with a lifetime (aggregate) limit of \$65,000 per dependent student.

Legacy borrowers, where a student/parent has borrowed Financial Aid prior to 1 July 2026, and the student remains enrolled on the same course, may continue to borrow based on the current rules.



This will last for either up to three years or the length of course remaining, whichever is lesser. If a student changes course, or a parent is supporting a new student after 1 July 2026, the parent will be subject to the new borrowing rules.

Postgraduate borrowing

For new postgraduate students beginning a course after 1 July 2026 and continuing students who did not borrow Financial Aid for their current course before 1 July 2026, the Graduate PLUS Loan will no longer be available.

Instead, a student may apply for Unsubsidised Direct Loans, with an annual loan limit of \$20,500 and an aggregate loan limit of \$100,000. The new total lifetime (aggregate) limit across all loan borrowing (excluding PLUS) will be \$257,500.

Legacy borrowers, where a student is continuing a course and borrowed Financial Aid for this course prior to 1 July 2026, may continue to borrow based on the current rules.

This will last for either up to three years or the length of course remaining, whichever is lesser. If a student changes course after 1 July 2026, they will be treated under the new borrowing rules.

Repayment Plans

Borrowers with new loans awarded after 1 July 2026 (including continuing borrowers with borrowing prior to 1 July 2026 who borrow further) will repay all their loans using a new standard repayment plan and a new income-based plan called Repayment Assistance Plan (RAP).

Current borrowers with no further borrowing after 1 July 2026, will be eligible to either:

- Remain on Standard, Graduated, Extended or current IBR plans

or

- Opt into the new RAP plan

Current borrowers on IDR can switch between, enter, or remain on these plans until 1 July 2028; however, borrowers enrolled in ICR, PAYE, and SAVE plans must transition to a different payment plan prior to 1 July 2028 or they will be moved onto the new RAP plan.



Course Intensity

Ordinarily, due to visa restrictions for international students, most Financial Aid applicants at the University of Sheffield are undertaking a full-time course with 100% intensity and would not be impacted by the proportional intensity rule.

However, if a student still meets eligibility criteria for Financial Aid but are enrolled less than full time (inclusive of any repeat years where a student-maintained entitlement to aid), their aid entitlement will be directly proportional to their course intensity.

Eg, a student on a postgraduate course undertaking 75% intensity of a full-time course would only be entitled to 75% of the annual loan limit. Therefore, the \$20,500 annual limit would be reduced to \$15,375.

The course intensity will be calculated to the nearest percentage point.

If you are on a Student Route visa and changes to your intensity of study are being considered, you should seek advice from the [International Student Support Service, Advice & Compliance \(ISSAC\) team](#).

[Check the implications for your visa.](#)

Contact us

US financial aid sits within the Student Funding Team in the University's Student Registry Team.

For questions about US financial aid, get in touch via usloans@sheffield.ac.uk.

Telephone: +44 0114 2229754, option 1, between 10.00am and 4pm, Monday to Friday (except UK Bank Holidays).

Further information

- [Federal Student Aid updates](#) - this page is produced by the Federal Student Aid team and will be updated as further information is available
- [Information about the One Big Beautiful Bill Act](#)