

Determining Federal Student Loan Eligibility in 2026-2027 and Beyond Graduate Students

New federal regulations governing how student loan eligibility is determined go into effect for the 2026-2027 academic year. These regulations, from the One Big Beautiful Bill, require that all federal student loans be prorated for students who are enrolled less than full-time.

Here is a brief description of how the maximum loan eligibility is calculated for each individual student:

1) Determine base annual loan maximum:

Graduate Students Federal Annual Loan Maximums <i>Assumes the student has remaining aggregate maximum loan debt available sufficient to allow for the annual loan maximum</i>	
Annual Federal Loan Maximum	\$20,500

2) Determine the number of terms the student will be expected to enroll in for the academic year. We will use the most recent available Plan of Study (POS) or Academic Plan.

3) Calculate what equates to full-time total enrollment for the student’s expected terms of enrollment (minimum for the entire academic year):

Level	Scheduled to Enroll in 1 Term of the AY	Scheduled to Enroll in 2 Terms of the AY	Scheduled to Enroll in all 3 Terms of the AY
Graduate	9	18	27

4) Schedule of Reduction Calculation (SOR)

a. Number of total expected credits (from the POS or Academic Plan) for the student’s academic year divided by the Full-Time total enrollment for the student’s expected terms of enrollment (academic year).

i. For example: A graduate student is expected to be enrolled in 3 terms of the academic year.

Therefore, the Full-Time total enrollment for the academic year would be 27 credits.

1. If the student’s academic plan indicates that they will be enrolled in:

Fall	9 credits
Spring	8 credits
Summer	5 credits
Total Expected Credits for the AY	23 credits

2. 23 expected credits divided by total full-time credits for the academic year (27):

$$\frac{23}{27} = 85\%$$

3. The re-calculated maximum amount of federal loan eligibility for the academic year would be:

a. $\$20,500 * 85\% = \$17,425$

i. This amount would then be divided equally over each of the three enrollment terms of the academic year.

A few things to keep in mind:

- A student who is not enrolled in at least half-time credits in a semester, will not receive that semester's portion of the calculated loan eligibility.
 - Half-time for graduate students is 5 credits

Example Academic Plan: Fall 11 credits, Spring 9 credits, Summer 3 credits = 23 total expected credits SOR = 23/27 (total Full-Time credits for the academic year) = 85% Base federal loan maximum \$20,500 $\$20,500 * 85\% = \$17,425$ new academic year maximum for this student ($\$17425/3=\5808 per semester)	
Fall Loan	\$5808
Spring Loan	\$5808
Summer Loan	\$0 (student is less than half-time)

- Any change to the student's expected credits earned/attempted for the academic year will require a recalculation of the SOR and may result in further loan adjustments for the remainder of the academic year. It is strongly recommended that students considering dropping/withdrawing from a course discuss the possible repercussions the change in enrolled credits may have on federal student loan eligibility for future terms of the academic year with the financial aid office.

Questions? Please stop in the Bellin College One-Stop Shop, Room 106, Eaton Road or e-mail the financial aid staff at financialaid@bellincollege.edu

