

The One Big Beautiful Bill: Loan Changes Planning & Implementation Checklist

The One Big Beautiful Bill Act (OBBBA) makes significant changes to federal student loan limits. Use this implementation checklist to plan institutional policy changes, systems updates, communication, and contingency plans.



Graduate Unsubsidized & Parent PLUS Annual, Aggregate, and Lifetime Loan Limits, Elimination of Grad PLUS, Limited Exception for Loan Borrowing, and Borrowing Limits		
Task	Institutional Targeted Completion Date	✓
Model Funding Gaps: Analyze current student populations to identify funding gaps created or resolved by new loan limit changes, taking into account projected direct cost increases and an estimate of which students will qualify for the limited exception.		
Institutional Loan Program: Evaluate the fiscal and operational feasibility of creating or expanding institutional loan programs to address remaining funding gaps.		
Private Loan Options: Research private lending options and assess the need to expand — or create — the current private lender list to assist students with funding gaps, ensuring the list complies with TILA/Regulation Z requirements based on the private loan research.		
Staff & Campus Partners: Facilitate cross-functional strategy sessions with student accounts, admissions, academic advising, and other applicable teams to align on changes to the loan programs and collaboratively address downstream impacts.		
Packaging Formulas: Revise and test automated packaging algorithms to identify and accurately apply loan limits and/or use of loan programs to limited exception-eligible students.		
FAMS/Coding: Collaborate with financial aid management system (FAMS) vendor/IT to configure, test, and implement system updates, ensuring new loan limits, including limited exception eligibility, and awarding rules are accurate.		
Limited Exception: Proactively identify current students who may qualify for the limited exception to new loan limits and those who do not. Conduct direct outreach explaining the terms of the limited exception, how eligibility for the limited exception could be lost, and what steps ineligible students can take to qualify for the limited exception.		
Student Communication: Audit and update any written communications (e.g., financial aid website, student portal, student aid offer, consumer information pages) to reflect the new loan changes and the limited exemption policy.		

Policy & Procedure Manual: Revise Policy & Procedure manuals to reflect new aggregate limits, annual limits, awarding criteria, the limited exception policy, and error resolution policies.		
Update Institutional Policies: Identify and explore updating institutional policies that could prevent students from qualifying for limited exception (e.g. change of major or dual degree programs requiring withdrawal from one program and enrollment in the other, triggering new borrowing rules)		
Financial Aid Staff: Ensure that financial aid staff are familiar with new regulations, know where to find ED and NASFAA resources, and are trained on institutional policies related to changes.		
Contingency Plan for the Possibility of Department of Education System Issues: Develop contingency plans in the event that COD is unable to accept originations or disbursements for new professional degree loan limits by the institution's first disbursement date for periods of enrollment beginning on or after July 1, 2026. Develop internal processes to ensure students do not exceed annual, aggregate, or lifetime borrowing limits, pending updates to the Department of Education's NSLDS and ISIR comments.		

Authority to Set Institutional Loan Limits		
Task	Institutional Targeted Completion Date	✓
Decision to Exercise Authority: Convene leadership to decide if the institution will elect to exercise the discretionary authority to limit loan borrowing for specific programs. Consider recordkeeping, disclosure, and notification requirements, as well as the fact that increases to institutional limits are not permitted on a case-by-case basis, and that reductions for less than full-time enrollment are applied to these institutional loan limits. [If not participating, skip this section.]		
Define Limits by Program: Determine specific borrowing caps for identified academic programs.		
Staff & Campus Partners: Educate aid officers and campus partners on the rationale behind the limits and explain that increases beyond the institutional limit are not permitted, even with the use of professional judgment.		
Update Packaging Formulas: Adjust packaging formulas to ensure that initial aid offers and any subsequent repackaging do not exceed the defined program-level loan caps.		
FAMS/Coding: Work with FAMS vendor/IT to configure software to prevent packaging loans above the institutional limits.		

Student-Facing Communications: Update any written communications (e.g., financial aid website, student portal, student aid offer, consumer information pages) to clearly disclose loan limits to prospective and current students in accordance with the disclosure rules outlined in the statute.		
Policy & Procedure Manual: Document the methodology and authority used to set these limits in your internal policy and procedure manual.		

Loan Reduction for Less-Than-Full-Time Students		
Task	Institutional Targeted Completion Date	✓
Staff & Campus Partners: Train financial staff and applicable campus partners on the regulatory requirements for loan reduction and how to explain these reductions to students.		
Packaging Formulas: Revise packaging rules to ensure that students enrolled in less-than-full-time status receive the correct amount of federal student loans.		
FAMS/Coding: Work with FAMS vendor/IT to identify students who require adjustments to their annual loan eligibility for less than full-time enrollment.		
Student-Facing Communications: Proactively communicate how loan reductions work on on any written communications (e.g., financial aid website, student portal, student aid offer, consumer information pages). Implement automated alerts when student loan borrowers attempt to drop classes to explain the implications.		
Gap Financing Analysis: Research and identify institutional or private loan options to assist students who face funding gaps resulting from reductions for less than full-time enrollment.		
Policy & Procedure Manual: Collaborate with relevant campus partners to decide whether institutional policy will be to make loan adjustments for changes in enrollment during the term in which the enrollment changes or in the subsequent term. Update policy and procedure manuals to document the policy.		

All information provided here is based on NASFAA's understanding of the One Big Beautiful Bill Act's implementation by the Department of Education based on draft regulatory text. All is subject to change pending final regulatory text, which is expected in the first half of 2026.