

The One Big Beautiful Bill Act of 2025 made several important federal loan program changes, such as eliminating the Graduate PLUS loan program, instituting new annual and aggregate loan limits for graduate and professional student Unsubsidized loans and Parent PLUS loans, creating a new overall lifetime loan borrowing cap, and adjusting annual loan eligibility for students who are enrolled less than full time. Each of these changes could lead to funding gaps for certain types of students. At the same time, these changes could be mitigated by legacy provisions and/or increased eligibility for Unsubsidized loans for professional students.

To help our members estimate potential future funding gaps for currently-enrolled students resulting from the changes to student and parent loan limits, NASFAA has created a Federal Loan Funding Gap Modeling Tool. The goal of this tool is to help members use data from their internal systems to estimate Unsubsidized and Graduate PLUS funding gaps for Graduate and Professional students, as well as Parent PLUS funding gaps for undergraduate students.

These instructions describe the steps needed to collect data from members' internal Student Information Systems (SIS)/financial aid management systems (FAMS) for the 2025-26 academic year to create a dataset that can be used to calculate funding gaps/net impact for 2026-27 and the next three years, after which all legacy provisions expire.

Sample data reference template

To assist in this process, NASFAA has developed a reference template that includes sample FAMS/institutionally entered data, calculated variables, and funding gaps for each academic year for each funding gap scenario. Use this to see what the model can do for your institution or to see how your institutional data should be entered to ensure accurate results in the model.

Caveats

When using this funding gap model, institutions should bear in mind that there are some data elements institutions may not have access to, or that vary such that there is no single accurate response. Those are noted in the "Extracting Data" section below.

Institutions should decide what existing data provides the most suitable substitute for such data, but should recognize that borrowing amount and funding gap estimates are only as accurate as the underlying data used to calculate them. Also note that the model is based on current students only. Incoming students may face a funding gap as well, in the sense that they no longer have access to the loans they might have borrowed had they began attendance under the current borrowing rules, but that is not accounted for in the model.

Model tabs

The model includes two different funding gap scenarios:

1. Changes in graduate/professional loan limits
2. Changes in loan limits for Parent PLUS loans

Both models analyze current-year borrowing levels to estimate future years' borrowing, factoring in each year's loan limit based on whether the student qualifies for the limited exception (or legacy), and calculate an estimated funding gap for students that could lead to decreased enrollment or a shift to other sources such as private loans.

Graduate/professional loan limits

The first tab in the model (GradProf_loan limits) uses school-entered data to estimate the impact of the elimination of the Graduate PLUS loan and additional Unsubsidized loan borrowing amounts for certain health professions students (HEAL), the new graduate and professional student annual, aggregate, and lifetime loan limits, and proration for less-than-full-time enrollment.

The model assumes a student would wish to borrow the same amount in total funding from the Unsubsidized and Graduate PLUS loans in future years as they did for 2025-26, plus the amount by which the COA would increase annually. This means that, when a student cannot borrow Graduate PLUS but has Unsubsidized loan eligibility, it fills the Graduate PLUS gap with an Unsubsidized loan and vice versa.

Each year's estimated borrowing is capped at the lower of that year's annual limit, remaining aggregate eligibility, or remaining lifetime eligibility, all based on the student's eligibility for the limited exception. The model bases limited exception eligibility on the student's remaining time to credential based on full-time enrollment (based on NASFAA's current understanding of the Department of Education's (ED) regulations), but it assumes the student will need to borrow for the length of time it would take them to complete their program based on their actual enrollment intensity. For instance, if a half-time student in a 3 year program had completed 2 years of their program as of the end of 2025-26, the model would provide for one year's limited exception eligibility, but would assume another year's borrowing beyond that (under the new limits, because the student had exhausted their limited exception eligibility) to estimate their total funding gap.

For any year, if the student is assumed to have completed their program based on the portion of the program they have completed as of the end of 2025-26 and their enrollment intensity, there is no assumed borrowing and no assumed funding gap for that year, since the student is presumably no longer enrolled.

A funding gap is calculated for each year, and a total funding gap through the 2028-29 academic year is calculated by summing each year's gap.

Using the model

There are three steps for using the model:

1. Extracting institution-specific data from your SIS/FAMS into Excel format
2. Copying and pasting institution-specific data into the model
3. Copying and pasting formulas from Row 3 to the last line of institutional data

Extracting data

Institutions should extract the following data elements from their SIS/FAMS for their currently enrolled Direct Loan borrowers who they expect to continue in the same program of study for 2026-27 and beyond into Excel format:

- o Student identifier
- o Unsub amount borrowed 2025-26 (including HEAL)
- o Grad PLUS amount borrowed 2025-26
- o Total Sub/Unsub borrowed to date for grad/prof study
 - Note: This is not likely to be a single data field in institutions' SIS/FAMS since there was not a need for this field until the OBBBA changes which establish a new graduate/professional student aggregate borrowing limit that is not inclusive of undergraduate borrowing.
 - Users will need to find a reasonable substitute to populate this data field, such as total sub/unsub amount borrowed to date from an origination or disbursement field in their systems. Schools may also be able to combine data from multiple fields in their own systems and/or from NSLDS to develop an appropriate figure to populate this field.
- o Aggregate Sub/Unsub Outstanding Principal Balance
 - Note: This information is available from the NSLDS data provided on the ISIR
- o Total Sub, Unsub, and Grad PLUS borrowed to date for any program of study ever attended, including amounts repaid, canceled, discharged, forgiven
 - Note: This is not likely to be a single data field in institutions' SIS/FAMS since there was not a need for this field until the OBBBA changes which establish a new lifetime borrowing limit that includes all borrowing at all levels of study, including amounts no longer outstanding due to discharge, repayment, cancellation, or forgiveness.
 - Users will need to find a reasonable substitute to populate this data field, such as total sub/unsub/Grad PLUS amount borrowed to date from an origination or disbursement field in their systems. Schools may also be able to combine data from multiple fields in their own systems and/or from NSLDS to develop an appropriate figure to populate this field.
 - Bear in mind that some institutions may have students with significant amounts of loans borrowed that have been repaid, discharged, canceled, or forgiven, which could significantly skew model estimates if not accounted for.
- o Additional HEAL eligibility for program
- o Date first enrolled in program of study that student will be enrolled on/after July 1, 2026
- o First disbursement date for most recent Direct Loan borrowed at institution
- o Program length (years)
- o Portion of program completed as of date of determination (in years)
- o Graduate or Professional program?
- o Enrollment intensity (% of full-time)
 - Note: It is frequently the case that a student's enrollment intensity varies from year to year or even within terms in an academic year. Institutions must choose which enrollment intensity provides the best estimates for their student population. Institutions can also run the model using different enrollment intensities to provide "best-case" and "worst-case" estimates.
- o Estimated annual COA % increase

Definitions for these variables can be found on the Descriptions_Formulas-GradProf_loanlimits tab.

Ensure that your columns are in the exact same order as they are listed on the template. If they are not in the same order, copy and paste your columns in your own Excel spreadsheet until the order matches the model. *The model will not work if data elements are not entered in the correct order.*

Ensure data element formats are correct. Dates should be formatted in Date format and numbers should be formatted in Number format. If you are unsure what format your data is in, highlight the column in question and right-click your mouse or trackpad. Choose the Format Cells option from the pulldown menu where you can change a format to Date or Number. Note that some systems code numbers as characters. In these instances, the format looks correct to the eye, but Excel is not treating the numbers shown as actual numbers and can't perform calculations using those fields. Please reformat those columns to Number format. *The model will not work if data elements are not formatted correctly.*

Copy and paste data into the model

Copy your data (except header rows) from your Excel spreadsheet. Use the Paste Values function to paste your data into the template. The reference template will automatically populate the other columns with data using formulas embedded within the template.

Data can then be pasted into columns B through I on the Parent PLUS tab, beginning on line 3. Use the Paste Values function.

Copy formulas

Select fields O3 through AY3 and copy formulas from those fields to all rows that contain your student data.

Institutionally entered data is then used to calculate all the variables in Columns O through AY.

Potential uses of data

- o Individual student outreach: Identifying and reaching out to students with estimated funding gaps to provide them with advice on how to fill those gaps to ensure those students are retained
- o Calculating total annual funding gaps: Sum the "Estimated combined Unsub/GP funding gap vs 2025-26" column for each academic year by program to estimate the total funding gap for all students enrolled in the program. This could be used to estimate the need for institutional resources, or for use in private loan requests for information (RFIs) to provide lenders with an estimate of the volume they might expect from those programs.

Loan limits for Parent PLUS loans

The second tab in the model (Parent PLUS) uses school-entered data to estimate the impact of new annual and aggregate Parent PLUS (PPLUS) loan limits.

The model assumes a parent would wish to borrow the same amount in Parent PLUS loans in future years as they did for 2025-26, plus the amount by which the COA would increase annually.

Each year's estimated borrowing is capped at the lower of that year's annual limit or remaining aggregate eligibility, all based on the student's eligibility for the limited exception. The model bases limited exception eligibility on the student's remaining time to credential based on full-time enrollment (based on NASFAA's current understanding of the Department of Education's (ED) regulations), but it assumes the parent will need to borrow for the length of time it would take their child to complete their program based on their actual enrollment intensity. For instance, if a half-time student in a 4 year program had completed 3 years of their program as of the end of 2025-26, the model would provide for one year's limited exception eligibility, but would assume another year's borrowing beyond that (under the new limits, because the student had exhausted their limited exception eligibility) to estimate their total funding gap.

For any year, if the student is assumed to have completed their program based on the portion of the program they have completed as of the end of 2025-26 and their enrollment intensity, there is no assumed borrowing and no assumed funding gap for that year, since the student is presumably no longer enrolled.

A funding gap is calculated for each year, and a total funding gap through the 2028-29 academic year is calculated by summing each year's gap.

Using the model

There are three steps for using the model:

1. Extracting institution-specific data from your SIS/FAMS into Excel format
2. Copying and pasting institution-specific data into the model
3. Copying and pasting formulas from Row 3 to the last line of institutional data

Extracting data

Institutions should extract the following data elements from their SIS/FAMS for their currently enrolled students whose parents borrowed Direct Parent PLUS Loans and who they expect to continue in the same program of study for 2026-27 and beyond into Excel format:

- o PPLUS borrowed to date for student for any program of study ever attended, including amounts repaid, canceled, discharged, forgiven, including 2025-26
 - Note: This is not likely to be a single data field in institutions' SIS/FAMS since there was not a need for this field until the OBBBA changes

which establish a new aggregate limit that includes all borrowing at all levels of study, including amounts no longer outstanding due to discharge, repayment, cancellation, or forgiveness.

- Users will need to find a reasonable substitute to populate this data field, such as total PPLUS amount borrowed to date from an origination or disbursement field in their systems. Schools may also be able to combine data from multiple fields in their own systems and/or from NSLDS to develop an appropriate figure to populate this field.
 - Bear in mind that if your Parent PLUS borrowers have significant amounts of loans borrowed that have been repaid, discharged, canceled, or forgiven, it could significantly skew model estimates if not accounted for.
- o Date first enrolled in program of study that student will be enrolled on/after July 1, 2026
 - o First disbursement date for most recent Direct Loan borrowed at institution
 - o Program length (years)
 - o Portion of program completed as of date of determination (in years)
 - o Enrollment intensity (% of full-time)
 - o Estimated annual COA % increase

Definitions for these variables can be found on the Descriptions_Formulas- ParentPLUS

Ensure that your columns are in the exact same order as they are listed on the template. If they are not in the same order, copy and paste your columns in your own Excel spreadsheet until the order matches the model. *The model will not work if data elements are not entered in the correct order.*

Ensure data element formats are correct. Dates should be formatted in Date format and numbers should be formatted in Number format. If you are unsure what format your data is in, highlight the column in question and right-click your mouse or trackpad. Choose the Format Cells option from the pulldown menu where you can change a format to Date or Number. Note that some systems code numbers as characters. In these instances, the format looks correct to the eye, but Excel is not treating the numbers shown as actual numbers and can't perform calculations using those fields. Please reformat those columns to Number format. *The model will not work if data elements are not formatted correctly.*

Copy and paste data into the model

Copy your data (except header rows) from your Excel spreadsheet. Use the Paste Values function to paste your data into the template. The reference template will automatically populate the other columns with data using formulas embedded within the template.

Data can then be pasted into columns B through I on the Parent PLUS tab, beginning on line 3. Use the Paste Values function.

Copy formulas

Select fields J3 through AM3 and copy formulas from those fields to all rows that contain your student data.

Institutionally entered data is then used to calculate all the variables in Columns J through AM.

Potential uses of data

- o Individual parent outreach: Identifying and reaching out to parents with estimated funding gaps to provide them with advice on how to fill those gaps to ensure those students are retained
- o Calculating total annual funding gaps: Sum the "Estimated PPLUS gap vs 2025-26" column for each academic year by program to estimate the total funding gap for all students enrolled in the program. This could be used to estimate the need for institutional resources, or for use in private loan requests for information (RFIs) to provide lenders with an estimate of the volume they might expect from those programs.

The federal loan funding gap model and instructions are based on NASFAA's understanding of the Department of Education's implementation of the One Big Beautiful Bill Act, as outlined in the final regulatory text. Some details may change with future subregulatory guidance from the Department of Education.