

2026-2027 Federal Financial Aid Updates

What students need to know about pending loan changes

Changes Effective July 1, 2026

Starting July 1, 2026, there will be major changes to federal student loan programs (student and parent), including borrowing limits, loan types, and repayment options. These changes may affect how you pay for college.

These updates apply to all colleges and universities across the country—they are *not specific to SBCC*. While final regulations have not yet been published we anticipate changes will be consistent with the information provided below.

Whether you're a new or continuing student, the information below will help you understand your loan limits.

How much loan will I be eligible for?

Loan eligibility will be awarded per semester based on a percentage of your annual loan limit.

- Students enrolled in 12 or more units a semester are eligible for 50% of their annual loan limit.
- Students enrolled in fewer than 12 units will be prorated as follows:

Undergraduate Enrollment (per semester)	Percent of Annual Loan Limit	Example loan amount for a dependent first year student
12+ units	50%	\$2,750.00
10 units	42%	\$2,291.00
9 units	38%	\$2,062.00
8 units	33%	\$1,833.00

7 units	29%	\$1,604.00
6 units	25%	\$1,375.00
5-1 units	0%	\$0.00

Parent PLUS Loan borrowing cap

- Annual cap: \$20,000 per year per student.
- Lifetime cap: \$65,000 per student—for parents borrowing under PLUS.

IMPORTANT NOTE: Parents of students who borrow the maximum amount of \$20,000 per year, may run out of PLUS eligibility if their student decides to extend their Program of Study length due to the \$65,000 lifetime limit.

What are my next steps?

Actions to take on Federal Student Loans (Undergraduate Students)

- Current student borrowers will be allowed to borrow under current student loan limits.
- To take advantage of the current limits for the remainder of your academic program, you should make a decision on borrowing your 2025–26 loans by taking action on your SBCC Portal by the end of the Spring 2026 semester.

Actions to take on Federal Parent PLUS Loan:

- To take advantage of the current Parent PLUS loan limits, parents of current students should make a decision on borrowing PLUS loans for the 2025–26 year by completing all [PLUS Loan Application](#) requirements to allow funds to be disbursed before the end of the Spring 2026.

FAQ

Who is considered a new borrower?

Anyone who did not take out a loan during their current program study and before July 1, 2026 or will be starting a new degree program in the 26/27 academic year.

What other loan options will I have to fill the gaps that aren't covered by Federal loans?

Credit based [private loans](#) can be used to fill the gaps that aren't covered by Federal loans.