IMPORTANT FINANCIAL AID CHANGES

Dear NDSU Student,

NDSU Financial Aid and Scholarships does not typically mail paper financial aid offer letters to returning students. However, we're making an exception this year because we want to ensure that you are made aware of several important updates to federal financial aid programs for the 2026-27 academic year due to the One Big Beautiful Bill Act (OB3).

Below is an overview of the main changes that may impact undergraduate students. This summary is not comprehensive, so we strongly encourage you to review all available information and examples on our website carefully. Ultimately, it's your responsibility to understand how these changes may impact your financial aid eligibility.

- **Prorating Loans for Less-Than-Full-Time Enrollment:** If you are enrolled less than full time at any point during the semester, your federal loan amounts will be proportionally reduced based on your enrollment status. This is a very important change that you must understand, because dropping a class may result in the reduction of your next loan disbursement or partial repayment of a student loan that has already been disbursed to you. Examples and the formula used to calculate loans if your enrollment is less than full time are available on our website.

- **Federal Pell Grant Modifications:** While the Federal Pell Grant program is still available, the bill establishes a limit based on your Student Aid Index (SAI), which is calculated upon your completion of the 2026-27 FAFSA. Students with an SAI that is more than $14,790 (twice the maximum Pell Grant award) will no longer be eligible for a Pell Grant. Additionally, students who receive grants or scholarships from non-federal (state, private or institutional) sources covering their full cost of attendance will not receive a Federal Pell Grant, even if otherwise eligible.

- **New Federal Borrowing Limits:** While undergraduate student annual borrowing limits are not changing, there will be a universal lifetime borrowing cap on federal student loans of $257,500 across your undergraduate, graduate and professional education.

- **Parent PLUS Loan Caps:** For students who have not previously borrowed a federal loan, Parent PLUS loans will be capped at $20,000 per year per dependent student, with a $65,000 lifetime maximum for each dependent student. Parents can borrow up to these limits, or up to the school's cost of attendance minus other financial aid, whichever is less.

- **New Loan Repayment Options:** Loan repayment options are being streamlined into two primary choices, including the newly created Repayment Assistance Plan (RAP). This makes repayment easier for students to understand, but they have fewer plans to choose from. Students will work with their loan servicer regarding these new loan repayment options.

- **The Legacy Provision for Students:** Some students may qualify for the legacy exception, which allows them to continue borrowing under previous loan limits for up to three years or until the completion of their current degree, whichever comes first. Scan the QR code below to determine whether you qualify for the legacy exception and the conditions for keeping that status.

We understand that this information may feel overwhelming, and we're here to help. If you have questions about how these updates may impact your financial aid,
feel free to contact One Stop at 701-231-6200.

Sincerely,
NDSU Financial Aid and Scholarships

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