Adjustments US Loans Policy from 1st July 2026.

Vrije University Amsterdam

The 2025 reform of the U.S. Direct Loan system under the OBBBA bill, effective July 1, 2026, introduces significant structural changes to federal student lending. These reforms aim to reduce federal exposure, simplify repayment, and limit borrowing.

If you are a borrower or are considering applying for a student loan, please read carefully about these new rules and identify your current situation. If you are a legacy or non-legacy student, that will determine the amount and the kind of loan you can apply to from the 1st of July 2026.

Students who are enrolled and are borrowers of federal loans during the 2025–2026 academic year may continue to borrow under the previous regulations for the lesser of three years or their remaining expected time to credential. Students must maintain their enrolment to remain eligible for this transitional arrangement.

**Expected time to credential is the difference between program length (at full time enrolment, as published by your school/college) and period of study completed by the student.*

Here you find the main Policy Changes listed. Your particular situation will indicate how these changes impact your borrowing:

1. **Introduction of strict annual and lifetime borrowing caps**:
    - Graduate students: can ask up to $20,500 per year and a total of $100,000 in lifetime
    - Professional students: can ask up to $50,000/year and a total of $200,000 in lifetime
2. **Elimination of Grad PLUS loans**: Not available for non-legacy students anymore as per 1st July 2026.
    - Grad PLUS loans are discontinued for new borrowers
    - Previously allowed borrowing up to full cost of attendance
3. **New parent PLUS loans cap**: can ask up to $20,000 per year and a total of $65,000 in lifetime
4. **Replacement of multiple income-driven repayment plans with**:
    - Repayment Assistance Plan (RAP)
    - Tiered Standard Repayment Plan
5. **Borrowing criteria based on income-based payments**
    - Mandatory minimum payments

- Extended repayment timelines (up to ~30 years)

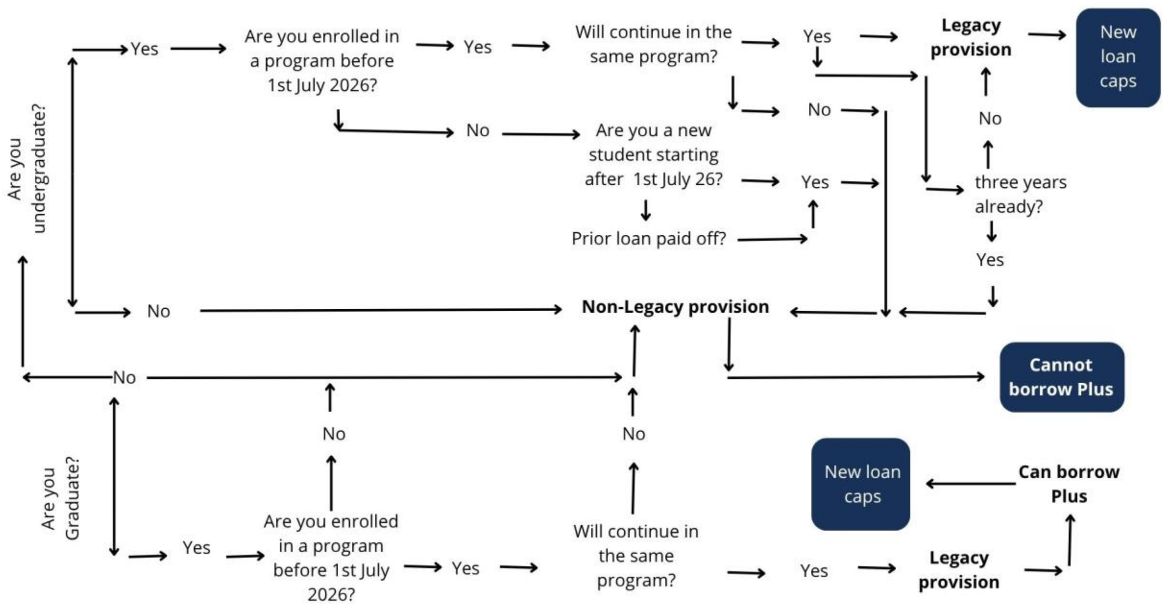
6. **Legacy provisions based on Student status:**

- **Legacy students**: Students who have had federal loans disbursed prior to July 1, 2026, and will be enrolled in the same degree for the 2026-2027 academic year. They will continue to be eligible for certain loan limits and protections under the legacy provision.
  Already enrolled undergraduate, graduate (including professional academic programs) students.

  - ➢ Students in programs beyond four years will lose legacy protection after three years.
  - ➢ Any students who are on a leave of absence (LOA) or withdraw from their program on or after July 1, 2026, will lose any legacy borrowing protections, even if they return to the same program during the window of legacy borrowing protection.

- **Non-legacy**: Students who have no federal loans taken out prior to July 1, 2026, or those who have paid off their prior federal loans. They will be subject to the new federal loan regulations and aggregate limits.
  New students: If classes in your new program begin after July 1, 2026, you are eligible for the Direct Unsubsidized Loans under the new limits. The Graduate PLUS Loan will no longer be available.

STUDENT ROAD MAP NEW US LOANS POLICY 2026:



These adjustments will be reflected on the loan limits for students studying a program at the VU as follows:

		Undergraduate		Graduate	
		Dependent	***Independent***	***Dependent***	***Independent***
Subsidized loan For undergraduate students with demonstrated financial needs. No interest is charged while the student is enrolled.	1st year	Max $3500	Max $3500	Ineligible	Ineligible
	2nd year	Max $4500	Max $4500	Ineligible	Ineligible
	3rd year	Max $5500	Max $5500	Ineligible	Ineligible
Un-Subsidized loan For undergraduate and graduate students and not based on financial needs. Interest is charged in all periods.	1st year	Max $2000	Max $6000	Max (per year) $20,500	Max (per year) $20,500
	2nd year	Max $2000	Max $6000		
	3rd year	Max $2000	Max $7000		
Parent plus For undergraduate students' parents; up to the value of the Cost of Attendance, less any Expected Financial Aid. Subject to credit checks. Interest is charged in all periods.	1st, 2nd and 3rd year *Extension	Complete COA using a Parent PLUS loan	Ineligible. **Alternative: Private loan (SallieMae)**	Ineligible	Ineligible
Graduate PLUS For graduate course students; up to the value of the Cost of Attendance, less any Expected Financial Aid. Subject to credit checks. Interest is charged in all periods.	Ineligible. **Alternative:** **Private loan (SallieMae)**			To up COA **Only for legacy students**	Top up COA **Only for legacy students**
				Option: **Private loan (SallieMae)**	

The requirements and steps to apply to a student Loan remain the same for the VU:

1. Read and understand the US Loans guidelines
2. Submit your FAFSA application
3. Fill in the VU questionnaire and send it to the university scholarships and Loans office
4. Sign Award letter and return to the university scholarships and Loans office
5. Sign the required documents
6. Once the loan is generated, confirm by email that you want the disbursements.

If you are uncertain of which your situation is, please contact us.