

Paris Junior College

Office of Financial Aid

Important Change to Federal Student Loans: Amounts Are Now Based on Your Enrollment Level

Effective for the 2026–27 academic year (terms beginning July 1, 2026 and later)

What's Changing

A new federal law (the One Big Beautiful Bill Act, sometimes called OBBBA or OB3) changes how much you can borrow in federal Direct Loans if you are not enrolled full-time. Starting with the 2026–27 academic year, your loan amount will be reduced, or “prorated,” to match your actual enrollment level each semester.

In the past, many students could receive a full annual loan amount as long as they met at least half-time enrollment. That is no longer the case. Under the new rule, the less-than-full-time loan amount is tied directly to how many credit hours you are taking.

Who This Affects

This applies to you if, for any semester in the 2026–27 award year or later, you are enrolled less than full-time (fewer than 12 credit hours as an undergraduate) and are borrowing a Federal Direct Subsidized or Unsubsidized Loan.

If you are enrolled full-time every semester, this change does not reduce your loan amount.

How Proration Works

Your loan eligibility is based on your enrollment level for each semester, not an average across the year. The chart below shows an example using a full-time annual maximum of \$3,500 (actual amounts vary by grade level; this is for illustration only).

Enrollment Level	Credit Hours*	% of Full-Time Loan Amount	Example (Full-Time Annual Max: \$3,500)
Full-time	12+ credits	100%	\$3,500
3/4-time	9–11 credits	75%	\$2,625
Half-time	6–8 credits	50%	\$1,750
Less than half-time	Under 6 credits	Not eligible	\$0

**Credit hour ranges reflect typical PJC enrollment categories; your enrollment level is confirmed at census each semester.*

What Stays the Same

- You must still be enrolled at least half-time to receive any federal Direct Loan.
- Subsidized and Unsubsidized Direct Loans are both still available to eligible undergraduates.
- Your total annual and aggregate (lifetime) loan limits are unchanged.
- You can still decline, reduce, or cancel loan funds at any time.

If You Borrowed Before July 1, 2026

A limited transition provision may allow some students who already had a Direct Loan disbursed before July 1, 2026 to continue under the prior rules for up to three more academic years, as long as you remain continuously enrolled in the same program at PJC. Final federal guidance on this provision is still being implemented, so your Financial Aid award may be adjusted once your enrollment is confirmed each semester.

What You Should Do

- Decide your enrollment plans for each semester as early as possible, since your loan amount is set by your actual credit hours.
- Watch for updated award notifications in your student portal after each semester's census date.
- If dropping below full-time will affect your loan amount, contact our office before you make changes to your schedule.
- Ask us about other resources, including grants and scholarships, if a prorated loan amount will not fully cover your costs.

Questions?

Federal guidance on this provision is still being finalized by the U.S. Department of Education, and amounts may be updated as final rules are released. If you have questions about how this affects your specific award, please contact the PJC Office of Financial Aid.

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