

FEDERAL FINANCIAL AID CHANGES AND THE IMPACT ON HIGHER EDUCATION



MARIST
UNIVERSITY

AGENDA

- ❖ Marist facts and figures
- ❖ The One Big Beautiful Bill (OB3)
- ❖ Federal aid funding
- ❖ FAFSA update
- ❖ Schedule of reduction
- ❖ Gainful employment/financial value transparency



MARIST UNIVERSITY



- Founded in 1929
- Located in New York's historic Hudson Valley
- Branch located in Florence, Italy

- **Enrollment 2025-2026**
 - 5,018 Traditional Undergraduate
 - 858 Graduate and Adult



ONE BIG BEAUTIFUL BILL

- Affected loan limits effective July 1, 2026
- There were no changes to the dependent student loan eligibility
- Institutions may impose a lower loan limit program of study



UNDERGRADUATE LOAN LIMITS

EFFECTIVE JULY 1, 2026

PARENT ON BEHALF OF DEPENDENT UNDERGRADUATE

Annual Parent PLUS

\$20,000

Aggregate Limit

\$65,000
(Without regard to amounts repaid, forgiven, canceled, or otherwise
discharged)



GRADUATE LOAN LIMITS

EFFECTIVE JULY 1, 2026

GRADUATE AND PROFESSIONAL STUDENTS			
	GRADUATE STUDENT	PROFESSIONAL STUDENT	CERTAIN HEALTH PROFESSIONS (previously granted higher unsubsidized loan limits)
Annual Unsubsidized	\$20,500	\$50,000	Eliminated
Aggregate Limit	\$100,000	\$200,000	Eliminated
Annual Graduate PLUS	Eliminated	Eliminated	Eliminated



FEDERAL LOAN INTEREST RATES

Academic Year	Undergraduate (Subsidized/Unsubsidized)	Graduate Unsubsidized	Parent & Graduate PLUS
2026-2027	6.52%	8.07%	9.07%
2025-2026	6.39%	7.94%	8.94%
2024-2025	6.53%	8.08%	9.08%
2023-2024	5.50%	7.05%	8.05%
2022-2023	4.99%	6.54%	7.54%

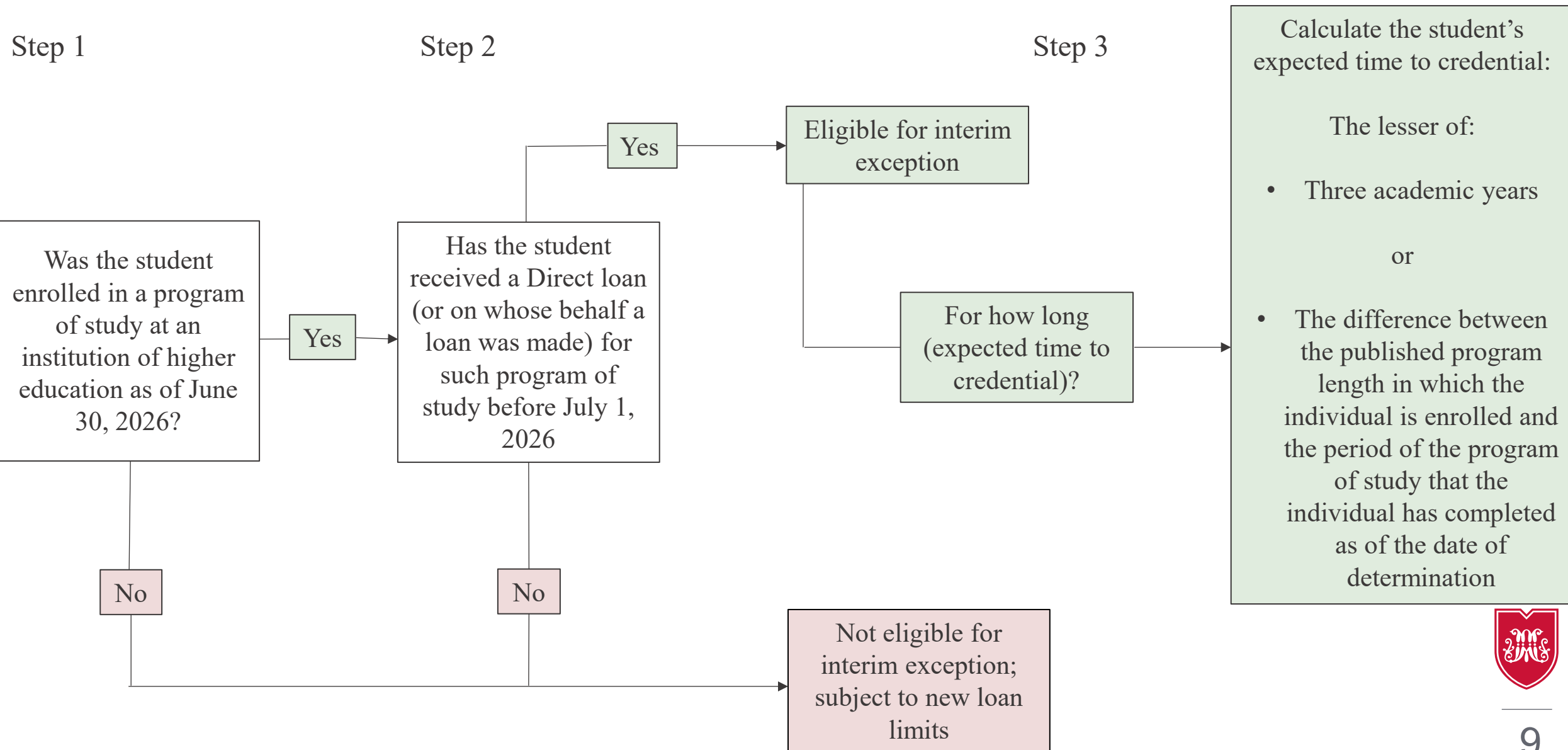


INSTITUTIONAL CHALLENGES RESULTING FROM OBBA LOAN CHANGES

- Families can no longer rely on federal funding to cover entire cost of attendance
- Increase need for institutional aid
- May force students and families to explore private loan options which require stringent credit checks
- Communication plan to educate families of these major changes
- Financial Aid/Bursar staffing needs to be trained



LEGACY STUDENTS



FAFSA UPDATES

FAFSA Simplification 2024-2025

- Reduced the number of questions on the FAFSA
 - Residency no longer asked
- Parent of record definition changed in situations of separation or divorce
- Number in college removed from the formula (question still on FAFSA)
- Increased the number of Pell recipients
- Minimum Pell is now limited to students with under 14k SAI
 - Full-ride scholarship recipients are no longer eligible



FAFSA UPDATES

FAFSA Simplification 2024-2025

- Expected Family Contribution (EFC) became Student Aid Index (SAI)
- IRS data transfer to FAFSA
- What makes up SAI changed
 - Family size (contributor, unborn children)
 - Income (federal tax data)
 - Assets (small businesses, child support)

2027-2028 FAFSA is now available



SCHEDULE OF REDUCTION

- Requires federal student loan eligibility to be reduced based on enrollment level
- Students will initially be awarded with expectation of full-time enrollment
- Changes to enrollment



SCHEDULE OF REDUCTION

SOR calculation steps:

Step 1: Determine borrower's initial maximum for each loan type for their loan period

Step 2: Divide total enrolled credits (x) by total full-time credits (24)

Step 3: Apply equal disbursement over terms in academic year



SCHEDULE OF REDUCTION – SAME FALL AND SPRING ENROLLMENT

Jim is a freshmen student eligible for \$3,500 of subsidized and \$2,000 of unsubsidized loan

Jim will be enrolled in 9 credits for the fall semester and estimate 9 credits for the spring term. A total of 18 credits. Full-time enrollment would be 24 total credits

Step 1: Determine max loan	\$5,500
Step 2: SOR percentage	A) $18/24 = .75$ or 75% B) $75\% \times \$5,500 = \$4,125$ max loan for year
Step 3: Equal disbursement	Fall = 9 credits \$2,063 (\$2,062.5 rounded up) Spring = 9 credits \$2,062 (\$2,062.5 rounded down)



SCHEDULE OF REDUCTION – DIFFERENT FALL AND SPRING ENROLLMENT

Sally is a freshmen student eligible for \$5,500 of subsidized loan

Sally will be enrolled in 9 credits for the fall semester; but estimate Jane will be in 6 credits for the spring term. A total of 15. Full-time enrollment would be 24 credits

Step 1: Determine max loan	\$5,500
Step 2: SOR percentage	A) $15/24 = .625$ or 63% B) $63\% \times \$5,500 = \$3,465$ max loan for year
Step 3: Equal disbursement	Fall = 9 credits \$1,733 (\$1,732.5 rounded up) Spring = 6 credits \$1,732 (\$1,732.5 rounded down)



PLUS LOANS FROM TWO PARENTS

Question: Are the new loan limits for Parent PLUS borrowers for each parent or both parents?



PLUS LOANS FROM TWO PARENTS

Answer: The new loan limits for Parent PLUS are for all parents per dependent student (i.e., two parents of the same dependent undergraduate student cannot each borrow up to the limit on behalf of the student)



REACHING PARENT PLUS AGGREGATE LIMIT

Question: If the parent PLUS borrower reaches the new Parent PLUS aggregate loan limit of \$65,000, is the dependent undergraduate student eligible for additional Direct Unsubsidized Loans?



REACHING PARENT PLUS AGGREGATE LIMIT

Answer: No. A school may NOT award and disburse additional Direct Unsubsidized Loan eligibility to a dependent undergraduate if a parent has reached the Parent PLUS loan aggregate loan limit of \$65,000



Questions?

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REFERENCES

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