

# Federal Parent PLUS Loan Changes:

## What New Parent Borrowers Need to Know

Beginning July 1, 2026, changes to the law affect **how much parents can borrow** from the Parent PLUS Loan program for their children's college education and the available **repayment options** for those loans. There are no changes to how much undergraduate students can borrow.

This document is written for Parent PLUS Loan borrowers and explains what's changing, when the changes take effect, and how those changes may affect them. We encourage parents who are unsure how any of this applies to them to talk to the school's financial aid office.

### Borrowing Limits

#### What is changing and when?

There are new loan limits for the Parent PLUS Loan program.

- \$20,000 per dependent student, per year (annual limit).
- \$65,000 per dependent student, in total (aggregate limit).

#### Importance of planning accordingly

- The new aggregate limit of \$65,000 means that borrowing the annual maximum for a four-year undergraduate program will cause parents to reach the aggregate limit before the student completes their degree, leaving them without further access to the Parent PLUS Loan.

#### Planning annual PLUS borrowing to ensure continued access



#### What if a Parent PLUS Loan borrower needs more than the annual borrowing limit, or reaches the aggregate limit before the student graduates?

Discuss other financing options with the financial aid office, such as external scholarships, payment plans, institutional loans, or private loans.

### Repayment Plan Changes Apply to All Parent Borrowers

Any federal Parent PLUS Loans borrowed on or after July 1, 2026 (including federal consolidation loans that include Parent PLUS Loans) can only be repaid under a single new, fixed repayment plan.

#### What is changing?

- For Parent PLUS Loans taken out on or after July 1, 2026, the **only** repayment plan option available will be a **new tiered standard repayment plan**
  - The tiered standard repayment plan offers a **fixed monthly payment** over **10 to 25 years**, based on the outstanding balance of the loan(s).
- This **applies to parent borrowers with existing Parent PLUS Loans who borrow a new loan on or after July 1, 2026**, as well, because the law requires that all Parent PLUS Loans be repaid under the same repayment plan.

- Parents who currently have Parent PLUS loans in repayment and borrow a Parent PLUS Loan on or after July 1, 2026, will have all of their Parent PLUS Loans moved to the tiered standard repayment plan, **potentially changing the monthly payment amount.**
- Current Parent PLUS Loan borrowers may repay their loans under the following repayment plans until their loans are fully repaid, but **only if they do not borrow new Parent PLUS Loans on or after July 1, 2026:**
  - 10-year standard repayment plan
  - Extended repayment plan
  - Graduated repayment plan
- Parent PLUS Loan borrowers who consolidated their Parent PLUS Loans into a Direct Consolidation Loan before July 1, 2026, may repay their loans under the income-contingent repayment (ICR) plan through June 30, 2028, at which point that plan will sunset, and Parent PLUS Loan borrowers repaying under ICR will be moved to the income-based repayment (IBR) plan.



**Parents who want access to an income-driven repayment plan and/or loan forgiveness for their Parent PLUS Loans must:**

- Have consolidated their Parent PLUS Loans into a Direct Consolidation Loan prior to July 1, 2026 and are **enrolled in the income-contingent repayment (ICR) plan** prior to July 1, 2028 AND
- **Not have borrowed a new Parent PLUS Loan** on or after July 1, 2026.



**Parent PLUS Loans and Public Service Loan Forgiveness (PSLF):**

The new tiered standard repayment plan does not count as a qualifying repayment plan for PSLF purposes. As a result, borrowing a new Parent PLUS Loan on or after July 1, 2026, prevents borrowers from receiving PSLF, even if they have already made qualifying payments, as all Parent PLUS loans must be repaid under the new tiered standard repayment plan.

Parents who are planning to borrow a Parent PLUS Loan on or after after July 1, 2026, but who want to preserve their eligibility for PSLF, may want to carefully consider other ways to help finance their dependent student's education.

|                                                                                                                                                                                                                                                                                                                                                                          | Repayment plan options                                                                                                                                                                                                                                        | Forgiveness/cancellation options                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>Have only borrowed Parent PLUS Loans before July 1, 2026</b>                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• 10-year standard repayment plan</li> <li>• Extended repayment plan</li> <li>• Graduated repayment plan</li> <li>• Income-contingent repayment (ICR) plan*</li> <li>• Income-based repayment (IBR) plan***</li> </ul> | <ul style="list-style-type: none"> <li>• Time-based forgiveness**</li> <li>• Public Service Loan Forgiveness**</li> </ul> |
| <b>Have only borrowed Parent PLUS Loans on/after July 1, 2026</b>                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Tiered Standard Plan</li> </ul>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• None</li> </ul>                                                                  |
| <b>Have borrowed Parent PLUS Loans both before and after July 1, 2026</b>                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>• Tiered Standard Plan</li> </ul>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• None</li> </ul>                                                                  |
| <b>Have consolidated Parent PLUS Loan(s) on/after July 1, 2026</b>                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Tiered Standard Plan</li> </ul>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• None</li> </ul>                                                                  |
| <p>*Only eligible for ICR if consolidated into Direct Consolidation Loan prior to July 1, 2026.</p> <p>**Only the 10-year standard plan and ICR are eligible for forgiveness/cancellation options</p> <p>***Only eligible for IBR if consolidated into Direct Consolidation Loan prior to July 1, 2026 and made at least one payment under ICR prior to July 1, 2028</p> |                                                                                                                                                                                                                                                               |                                                                                                                           |

The Department of Education (ED) released the Reimagining and Improving Student Education (RISE) final regulations in the May 1, 2026, Federal Register. In the preamble to the Final Rules, ED indicates that additional subregulatory guidance will be issued to support implementation of certain provisions. All information provided here reflects NASFAA's current understanding of how to apply the May 1 rules based on the regulatory text and preamble discussion. Because ED has indicated that further guidance is forthcoming, this interpretation may be subject to change.