

Anticipated Changes to Federal Student Loans

The One Big Beautiful Bill Act (OBBB) introduced significant changes to federal student loan programs. Daoist Traditions is closely monitoring guidance from the U.S. Department of Education and will update this page as additional information becomes available.

Current Understanding as of January 2026

Student loan programs will remain unchanged for the 2025–26 academic year, however, several changes are scheduled to take effect on July 1, 2026.

Grad PLUS Loans

- Grad PLUS loans will be phased out for new borrowers starting July 1, 2026.
- Students who have a Direct Loan or Grad PLUS loan prior to July 1, 2026 may retain Grad PLUS eligibility for up to three additional years or until completion of the same program at the same institution.

Graduate Direct Unsubsidized Loans

- Beginning July 1, 2026, most graduate programs will be subject to borrowing limits of \$20,500/year and \$100,000 lifetime (graduate only).
- Higher loan limits may be available for programs classified as “professional” by the Department of Education; however, those definitions are still under review.
- Students who have a Direct Unsubsidized loan prior to July 1, 2026 continue under the current borrowing limits [\$20,500/year and \$138,500 total lifetime (undergraduate + graduate)] until they complete their program or for up to three additional years, whichever occurs first.

Part-Time Enrollment Considerations

Federal law may require student loan amounts to be prorated based on enrollment level. This means students enrolled less than full time could be eligible for reduced loan amounts. Final guidance on how this will be applied to graduate students is still pending.

Our Commitment to Transparency

Daoist Traditions is committed to providing accurate, timely information to help applicants and current students make informed decisions. Because federal guidance is still evolving, the information above reflects our best understanding as of January 2026 and should not be considered official federal policy.

Applicants are encouraged to ask questions during the admissions process and develop a thoughtful financial plan that considers multiple funding options.

We are here for you. If you have questions, please contact our Federal Financial Aid Administrator:

Cameron Mullins

FFAdministrator@daosttraditions.edu

(828) 225-3993

For official federal guidance, visit:

- [National Association of Independent Colleges & Universities \(NAICU\)](#)
- [Federal Student Aid – O BBB Updates](#)