FUNDING YOUR GRADUATE EDUCATION

A Guide for Idaho State University Students (Revised for OB3 Updates)

Graduate school is an investment in your future. Recent federal changes under the One Big Beautiful Bill Act (OB3) have significantly altered federal loan availability. This guide provides the most current information to help you plan effectively.

Federal Loan Framework (Effective July 1, 2026)

The OB3 Act eliminates the Graduate PLUS Loan program for most students and introduces new borrowing caps based on your program classification.

Program Type	Annual Limit	Aggregate (Degree) Limit	Total Lifetime Cap*
Graduate Programs	$20,500	$100,000	$257,500
Professional Programs	$50,000	$200,000	$257,500

*Lifetime Cap includes all undergraduate and graduate federal loans, including previous Graduate PLUS loans.

Determine Your Program Type

- **Professional:** PharmD, Clinical Psychology PhD, and Clinical Psychology PsyD
- **Graduate:** All other fields are classified as Graduate.

This information is subject to change. To confirm your program classification, we advise you to contact the Financial Aid Office at finaidem@isu.edu or call (208) 282-2756.

CRITICAL UPDATE: The Lifetime Cap Reversal

The Department of Education has confirmed that **Graduate PLUS loans** borrowed at any time will count toward the $257,500 lifetime limit. If you have high undergraduate or previous graduate debt, monitor your totals closely at StudentAid.gov.

The Legacy Provision (Grandfather Clause)

If you borrowed a federal Direct Loan for your current program **before July 1, 2026**, you may continue borrowing Graduate PLUS loans under the following conditions:

- Valid for a maximum of **three academic years** or until graduation.
- Requires **continuous enrollment** in your current program.
- Provides a "buffer" to complete your degree before the new caps take effect.
- More Info: www.isu.edu/financialaid/types-of-aid/loans-and-financing/plus-loans--graduate-or-professional-students/

New: Loan Proration & Enrollment

Beginning July 1, 2026, federal loans will no longer be a fixed amount regardless of credits. Loans will be **prorated based on enrollment intensity.**

- **Full-Time:** Eligible for the maximum annual limit.
- **Part-Time:** Your maximum loan eligibility will be reduced proportionally to your course load.

Managing the "Funding Gap"

Because OB3 caps total borrowing, some students may find that federal loans do not cover the full Cost of Attendance (COA). If you face a gap, consider these steps:

1. Scholarships & Assistantships

Prioritize "free money." Check the ISU Scholarship Office and your specific academic department for Graduate Assistantships (GAs) which often provide tuition waivers and stipends.

2. Evaluating Private Student Loans

When federal aid is exhausted, private loans may be necessary. Ask these questions before signing:

- **Interest Rate:** Is it fixed or variable? How does it compare to the federal rate?
- **Repayment:** When do payments begin? Is there a grace period?
- **Co-signer:** Is one required? Is there a co-signer release option after a period of on-time payments?
- **Hardship:** Does the lender offer deferment or forbearance if you lose your job?

Idaho State University provides access to ELMSelect, a free, lender-neutral comparison tool designed to help students research and compare private education loan options. Compare private loan options: https://www.elmselect.com/v4/school/1320/program-select

> ***Pro Tip:*** *Always exhaust Federal Unsubsidized loans before turning to private lenders, as federal loans offer superior consumer protections and income-driven repayment plans.*

Next Steps & Action Items

1. **Review Your History:** Log in to StudentAid.gov to calculate your current progress toward the $257,500 lifetime limit.
2. **Consult Your Advisor:** Determine your graduation timeline to see if you fall within the 3-year "Legacy Provision."
3. **Plan Your Credits:** Understand how many credits you need per semester to remain "Full-Time" for maximum loan eligibility.
4. **Contact ISU Financial Aid:** For specific questions regarding your program's classification or eligibility, visit https://www.isu.edu/financialaid/one-big-beautiful-bill-act-/.