



BLUE MOUNTAIN
CHRISTIAN UNIVERSITY

OFFICE OF FINANCIAL AID AND SCHOLARSHIPS

Changes from the One Big Beautiful Bill Act (OB3), Officially Called the Working Families Tax Cut Act (WFTC)

On July 4, 2025, what's often referred to as the One Big Beautiful Bill Act (OB3), officially titled the Working Families Tax Cut Act (WFTC), was signed into law. Though passed, some guidance is still pending. Pieces of information shared here will be updated as information continues to evolve.

Federal Student Aid Changes (Effective July 1, 2026)

What ALL Students Need to Know:

Loan Proration

- All students are subject to having their loan amounts adjusted should they enroll in less than full-time status. To be considered full-time, students must enroll in at least the following number of credit hours, depending upon their degree program:
 - Undergraduate = 12 or more credit hours
 - Graduate = 9 or more credit hours
- Loan adjustments are based on annual enrollment, which means dropping courses could have an effect on future loan disbursements. It is recommended that if you are thinking of enrolling less than full-time or before dropping a class, you speak with the Office of Financial Aid and Scholarships first to understand the implications.

What Undergraduate Students Need to Know:

- Starting in the 2026–27 academic year, students will no longer be eligible for a Pell Grant if their Student Aid Index (SAI) is greater than twice the maximum Pell award for that year. Pell award amounts will continue to vary based on income and family size, but there is now a firm cutoff tied to the annual Pell maximum.
- Students who receive grants or scholarships from non-federal sources (state, private, institutional) covering their entire cost of attendance are ineligible to receive a Pell Grant, even if otherwise eligible.

What Graduate Students Need to Know:

- The most notable change in this law is the elimination of the Graduate PLUS (Grad PLUS) loan for new and/or first-time Direct Loan borrowers beginning July 1, 2026.
- Legacy students, those who have received a Grad PLUS Direct Loan disbursement before July 1, 2026 and remain in the same academic program, will continue to have access to the Grad PLUS loan (up to the full cost of attendance) for up to 3 years or until they complete their current program, whichever comes first.
- Graduate students will continue to be eligible for up to \$20,500 annually in Unsubsidized Direct Loan. There is a new \$100,000 cap on the amount students can borrow in total (aggregate) for a graduate degree program.

What Parent Borrowers Need to Know:

- Under the new parent PLUS loan limits, parents may borrow a maximum of \$20,000 per dependent student each year. In addition, while PLUS Loans previously had no aggregate (lifetime) borrowing limit, parents are now capped at \$65,000 per student over the course of that student's degree.
- Legacy parents, those who borrowed a parent PLUS Direct Loan or whose dependent student borrowed a Direct Loan for the same program before July 1, 2026, and whose student remains consecutively enrolled, will continue to have access to the previous PLUS loan limits (up to the full cost of attendance) for up to 3 years or until their student graduates, whichever comes first.

Still have questions? Visit [Federal Student Aid](#) or email financialaid@bmc.edu for additional information.