



Federal Updates

Presented By :

Victoria Padilla

**New Mexico Educational
Assistance Foundation**

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Federal Updates: One Big Beautiful Bill Act & What it Means for Student Aid

AKA “Triple B”

- Law signed July 4, 2025;
- Big Title IV changes start July 1, 2026.
- FAFSA 2026-27 launch Oct 1, 2025
- Pell funding boost for FY2026.
- FAFSA & verification modernization.



FAFSA Highlights

- Major Title IV/FAFSA changes effective July 1, 2026; several provisions effective upon enactment
- gender question updated removing “nonbinary” as an option
- Asset exemptions -Reinstates the exemptions of family farm and a family-owned small business assets from the SAI calculation and expands asset exemptions to family-owned commercial fisheries



FAFSA Highlights



- Pell eligibility changes — SAI threshold rule: Students whose SAI (Student Aid Index) is \geq twice the maximum Pell will be ineligible for Pell during that award year.
 - Max Pell Grant \$7395
- Foreign Income - foreign income now included in the AGI used to calculate Pell Grant eligibility
- Real-time identity/SSN verification: Social Security and identity verification improved real-time checks
 - includes parents without SSN



Operational Impacts



- Parent PLUS limits: New annual and aggregate loan limits for Parent PLUS
- Loan repayment simplification: Student loan repayment system simplified — fewer plan choices and creation of a Repayment Assistance Plan (RAP) for income-driven support starting in implementation timeline.
- Workforce Pell created: A new short-term “Workforce Pell” for programs (≥ 8 weeks, < 15 weeks) is established.
- Eligible program expansion: More non-degree and short-term programs are eligible for Title IV (linked to Workforce Pell and other new program definitions).
- Definition updates for ‘credit hour’ / clock hour programs: Clarified/programmatic definitions that affect how certain programs qualify for Title IV.



Student Loans



- Public Service Loan Forgiveness (PSLF) stays in place → Past qualifying payments and employment are protected.
- Repayment Assistance Plan (RAP) → Launches July 1, 2026, income-based, counts for PSLF.
- Older Income Driven Repayment plans phased out → Many won't accept new borrowers after 2028.
- Parent PLUS: fewer repayment/relief options for new loans after 2026.
- Grad PLUS: eliminated for new graduate borrowers after 2026.
- Grad Loan/Professional Loan limits have changed

Pell Funding & Projected Impacts

- \$10–10.5B added for FY2026; expansion stress risk; possible future shortfalls if no new funding.
- FY2026 safe for now, but watch FY2027 appropriations.
- Students who receive grants or scholarships from non-federal sources covering their entire cost of attendance (COA) are ineligible to receive a Pell Grant, even if otherwise eligible for the program.



References

- Federal Student Aid – Dear Colleague Letters & Announcements (OBBBA Implementation Guidance): [Home | FSA Partner Connect](#)
- NASFAA – Summary of the One Big Beautiful Bill Act (Title IV Provisions, Workforce Pell, Loan Changes): [2025 Budget Reconciliation Web Center](#)
- Federal Student Aid – FAFSA 2026–27 Launch & Pell Eligibility Updates: [Home | Federal Student Aid](#)
- TICAS – Pell Grant Funding and Shortfall Projections: [Breaking \(F\)Ed - The Institute for College Access & Success](#)
- Congress.gov – H.R.1, One Big Beautiful Bill Act (Statutory Text): [H.R.1 - 119th Congress \(2025-2026\): One Big Beautiful Bill Act | Congress.gov | Library of Congress](#)

Thank You!

Q&A Session

Presented By :
Victoria Padilla
padillav@nmeaf.org

