Federal Direct Loan Annual Limits (Undergraduate)

This document provides an overview of Federal Direct Loan annual limits and enrollment-intensity proration requirements under the One Big Beautiful Bill Act (OBBBA), effective for the 2026-2027 award year. Annual loan eligibility is based on grade level, dependency status, and enrollment intensity. Students enrolled less than full-time may receive a reduced annual loan amount based on their enrollment intensity.

Grade Level	Dependent Student	Independent Student (and Dependent Student whose Parent was Denied a PLUS Loan)
First-Year Undergraduate (0–27 credits)	$5,500 ($3,500 Subsidized + $2,000 Unsubsidized)	$9,500 ($3,500 Subsidized + $6,000 Unsubsidized)
Second-Year Undergraduate (28–58 credits)	$6,500 ($4,500 Subsidized + $2,000 Unsubsidized)	$10,500 ($4,500 Subsidized + $6,000 Unsubsidized)
Third-Year and Above (59+ credits)	$7,500 ($5,500 Subsidized + $2,000 Unsubsidized)	$12,500 ($5,500 Subsidized + $7,000 Unsubsidized)

Enrollment Requirement

- To receive a Federal Direct Loan, a student must be enrolled at least **half-time (6 credit hours)** during the term in which loan funds are disbursed.
- **0–5 credit hours:** Not eligible for Federal Direct Loans.
- **6 or more credit hours:** Eligible, with loan amounts awarded based on your enrollment intensity.

Enrollment Intensity

- Enrollment intensity is calculated by comparing enrolled credits to the institution's full-time enrollment standard.

Single Term Enrollment Intensity Proration

Term Credits	Enrollment Intensity	Percent of Semester Loan Award*
12+	100%	100%
11	92%	92%
10	83%	83%
9	75%	75%
8	67%	67%
7	58%	58%
6	50%	50%
0–5	Less than half-time	Not Eligible

Example: Dependent First-Year Student

Maximum Annual Loan Eligibility: **$5,500**

Enrolled Credits for 1 semester	Intensity	Estimated Semester Loan Eligibility	Estimated Annual Loan Eligibility (maintaining enrollment intensity)
12	100%	$2,750	$5,500
9	75%	$2,062	$4,125
6	50%	$1,375	$2,750
5 or fewer	Not Eligible	$0	$0

Multiple Continuous Terms Enrollment Intensity Proration

2 or more Terms Enrollment	Enrollment Intensity	Percent of Annual Loan Award*
24+ credit hours	100%	100%
23 credit hours	95.8%	95.8%
22 credit hours	91.7%	91.7%
21 credit hours	87.5%	87.5%
20 credit hours	83.3%	83.3%
19 credit hours	79.2%	79.2%
18 credit hours	75%	75%
17 credit hours	70.8%	70.8%
16 credit hours	66.7%	66.7%
15 credit hours	62.5%	62.5%
14 credit hours	58.3%	58.3%
13 credit hours	54.2%	54.2%
12 credit hours	50%	50%
11 credit hours	45.8%	45.8%
10 credit hours	41.7%	41.7%
9 credit hours	37.5%	37.5%
8 credit hours	33.3%	33.3%
7 credit hours	29.2%	29.2%
6 credit hours	25%	25%
0–5 credit hours	Less than half-time	Not Eligible

Example: Dependent First-Year Student

Maximum Annual Loan Eligibility: **$5,500**

Fall Credits	Spring Credits	Intensity	Estimated Semester Loan Eligibility	Estimated Annual Loan Eligibility
6	12	75%	$2,062	$4,125
15	6	87.5%	$2,406	$4,812
6	6	50%	$1,375	$2,750

Note: Federal student aid regulations continue to evolve. Financial Aid staff should always follow current U.S. Department of Education guidance and institutional policy when determining Federal Direct Loan eligibility and processing SOR adjustments.