



# Student Loan Repayment Plans

When repaying your student loan, consider which repayment plan could best meet your needs. Choosing the right plan for your situation is important to keep your finances in order. Contact your student loan servicer to find the best option for you. You can find out which company is servicing your loan by visiting [NSLDS.ed.gov](http://NSLDS.ed.gov).

## Standard Repayment (FFELP & Direct Loans)<sup>1</sup>

- Fixed monthly payment over a 10-year repayment term
- Monthly payments are at least \$50
- Loan is repaid in the shortest amount of time
- Least amount of interest is paid

## Graduated Repayment (FFELP & Direct Loans)

- Payments start low and increase every two years over a 10-year repayment term
- This plan works well if you expect your income to increase steadily over time
- The minimum amount due will be enough to cover at least the amount of accrued interest
- The monthly payments will never be more than three times greater than the initial payment amount
- You will pay more for your loan over time than under the Standard Repayment Plan

## Extended Repayment (FFELP & Direct Loans)

- Choose a Fixed Standard or Graduated Repayment (up to 25 years)
- Must have a total amount of FFELP loans exceeding \$30,000 or a total amount of Direct Loans exceeding \$30,000 (the \$30,000 minimum cannot be a combination of both loan types); Extended Repayment would then apply based on eligible loan program (e.g., if you have \$30,000 in Direct Loans and another \$5,000 in FFELP Loans, Extended Repayment would only apply to the eligible Direct Loans)
- More interest is paid due to the longer loan term
- All loans under the qualifying program (FFELP or Direct Loans) must have been disbursed on or after October 7, 1998

## Revised Pay As You Earn (REPAYE) Repayment (Most Direct Loans)

- No income requirement to enter this plan
- Your monthly payment will be no more than 10% of your discretionary income<sup>3</sup>
- You may be eligible for loan forgiveness after 20 years if you have only undergraduate-level loans and 25 years if you have at least one graduate- or professional-level loan
- You may have to pay income tax on any amount that is forgiven
- After your first three consecutive years on subsidized loans, and for full REPAYE repayment period on unsubsidized loans, you only have to pay 50% of accrued interest not covered by regular monthly payment amount

## Pay As You Earn (PAYE) Repayment (Direct Loans Only)

- You must not have had an outstanding loan balance on a Direct Loan or FFELP Loan as of October 1, 2007, or no outstanding balance on a Direct Loan or FFELP Loan when you received a new loan on or after October 1, 2007
- Consolidation loans disbursed on or after October 1, 2007, which include (paid-off) loans that were disbursed prior to October 1, 2007, do not qualify
- You must have received a disbursement of a new Direct Loan on or after October 1, 2011
- Your monthly payment will be no more than 10% of your discretionary income<sup>3</sup>
- To be eligible, you must have a partial financial hardship<sup>4</sup>, which is based on your total loan debt, adjusted gross income, and family size
- Your payments will change as your income and family size change
- If you haven't paid your loan in full after 20 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven

## Income-Based Repayment (IBR) (Direct & FFELP Loans)

- Your monthly payment will be no more than 15% (or 10% if you are a new borrower)<sup>2</sup> of your discretionary income<sup>3</sup>
- To be eligible, you must have a partial financial hardship<sup>4</sup> which is based on your total eligible FFELP Loan and Direct Loan debt, adjusted gross income, and family size
- Your payments will change as your income and family size change
- If you haven't paid your loan in full after 25 years (or 20 years if you are a new borrower)<sup>2</sup> of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- While you can request to change to a different repayment plan at any time, you are required to make a payment after exiting the IBR plan before a new repayment plan can be applied<sup>5</sup>

## Income-Contingent Repayment (ICR) (Direct Loans Only)

- Payments are based on family size, AGI, and total balance of all eligible Direct Loans
- Any unpaid interest (due to payment amount) is capitalized annually
- If you haven't paid your loan in full after 25 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven

<sup>1</sup>A Direct Loan is a loan borrowed directly from the U.S. Department of Education. A Federal Family Education Loan Program (FFELP) Loan is a federally guaranteed loan that was borrowed from a company such as a bank, lender, or non-profit organization under the FFEL Program. <sup>2</sup>You are a new borrower for the IBR plan if you had no outstanding balance on a Direct Loan or FFELP Loan as of July 1, 2014 or no outstanding balance on a Direct Loan or FFELP Loan when you obtain a new loan on or after July 1, 2014. <sup>3</sup>Discretionary income is your income minus 150% of the poverty guidelines for your family size. <sup>4</sup>You have a partial financial hardship if the monthly amount you would be required to pay on your IBR or Pay As You Earn eligible loans under a Standard Repayment Plan with a 10-year repayment period is higher than the monthly amount you would be required to repay under IBR or Pay As You Earn. <sup>5</sup>The required payment must be either the amount you would pay under a Standard Plan taking into account the remaining maximum repayment period or under a reduced payment forbearance agreement.

Consider the total interest accrued and the total amount paid under each option when choosing a repayment plan. All dollar amounts and repayment terms are estimates.

**BASED ON: \$10,000 balance / 4.66% interest rate / AGI of \$35,000 / Family Size of 1**

Repayment Plan	Repayment Period	Initial Payment	Final Payment	Total Interest Paid	Total Amount Paid
<b>Standard</b>	120 Months	\$105	\$105	\$2,553	\$12,553
<b>Graduated</b>	120 Months	\$59	\$177	\$3,203	\$13,203
<b>Extended-Fixed</b>	Not Eligible				
<b>Extended-Graduated</b>	Not Eligible				
<b>Income-Based Repayment (IBR)</b>	Not Eligible				
<b>IBR for New Borrowers</b>	Not Eligible				
<b>Pay As You Earn (PAYE)</b>	Not Eligible				
<b>Revised Pay As You Earn (REPAYE)</b>	67 Months	\$143	\$207	\$1,485	\$11,485
<b>Income-Contingent Repayment (ICR)</b>	176 Months	\$73	\$87	\$3,981	\$13,981

**BASED ON: \$20,000 balance / 4.66% interest rate / AGI of \$35,000 / Family Size of 1**

Repayment Plan	Repayment Period	Initial Payment	Final Payment	Total Interest Paid	Total Amount Paid
<b>Standard</b>	120 Months	\$209	\$209	\$5,105	\$25,105
<b>Graduated</b>	120 Months	\$118	\$354	\$6,407	\$26,407
<b>Extended-Fixed</b>	Not Eligible				
<b>Extended-Graduated</b>	Not Eligible				
<b>Income-Based Repayment (IBR)</b>	Not Eligible				
<b>IBR for New Borrowers</b>	139 Months	\$143	\$209	\$6,393	\$26,393
<b>Pay As You Earn (PAYE)</b>	139 Months	\$143	\$209	\$6,393	\$26,393
<b>Revised Pay As You Earn (REPAYE)</b>	127 Months	\$143	\$289	\$6,159	\$26,159
<b>Income-Contingent Repayment (ICR)</b>	176 Months	\$147	\$174	\$7,962	\$27,962

**BASED ON: \$35,000 balance / 4.66% interest rate / AGI of \$35,000 / Family Size of 1**

Repayment Plan	Repayment Period	Initial Payment	Final Payment	Total Interest Paid	Total Amount Paid
<b>Standard</b>	120 Months	\$366	\$366	\$8,934	\$43,934
<b>Graduated</b>	120 Months	\$206	\$619	\$11,212	\$46,212
<b>Extended-Fixed</b>	300 Months	\$199	\$199	\$24,561	\$59,561
<b>Extended-Graduated</b>	300 Months	\$137	\$332	\$30,102	\$65,102
<b>Income-Based Repayment (IBR )</b>	154 Months	\$215	\$366	\$12,987	\$47,987
<b>IBR for New Borrowers</b>	211 Months	\$143	\$366	\$20,245	\$55,245
<b>Pay As You Earn (PAYE)</b>	211 Months	\$143	\$366	\$20,245	\$55,245
<b>Revised Pay As You Earn (REPAYE)</b>	207 Months	\$143	\$449	\$20,168	\$55,168
<b>Income-Contingent Repayment (ICR)</b>	176 Months	\$257	\$305	\$13,933	\$48,933