



# Key Points about Federal Student Loan Repayment Plans

When you are in the midst of student loan repayment, sometimes you may encounter difficulties making your payments and need a reset. Fortunately, the federal student loan programs have multiple repayment plan options. Explore different repayment plans and choose the one that's right for you, so that you can keep making progress in paying off your loans.

## INCOME-BASED REPAYMENT (IBR) PLAN

- Available for Stafford, Direct, Grad PLUS, student PLUS, and certain Consolidation loans
- Parent PLUS loans, consolidation loans that included a parent PLUS loan, nonfederal loans, and defaulted loans are not eligible for the Income-Based Repayment plan
- Monthly payments are based on borrower's income and family size, and balance on eligible loans
- Repayment term is a maximum of 25 years
- Total amount paid in interest over the new repayment plan will be greater than the total interest paid over a standard repayment plan, but any outstanding principal and interest still owed after 25 years of qualifying payments will be forgiven
- Eligibility must be re-evaluated every year
- For more information, visit TG's Income-Based Repayment calculator at [www.AIE.org/IBR](http://www.AIE.org/IBR) or contact your loan holder or servicer.

## PAY AS YOU EARN REPAYMENT PLAN

- Available to certain Federal Direct Loan Program (FDLP) borrowers only. To qualify:
  - You must have had no outstanding balance on an FDLP or FFELP loan as of October 1, 2007, or had no outstanding balance on an FDLP or FFELP loan when you received a new loan on or after October 1, 2007; AND
  - You must have received a disbursement of an FDLP loan on or after October 1, 2011.
- Monthly payment is adjusted annually, based on the total amount of your FDLP loans, your family size, and your adjusted gross income
- Must reapply annually
- Total amount paid in interest over the new repayment plan will be greater than the total interest paid over a standard repayment plan, but any outstanding principal and interest still owed after 20 years of qualifying payments will be forgiven

## INCOME-CONTINGENT REPAYMENT PLAN

- Available to Federal Direct Loan Program (FDLP) borrowers only
- Monthly payment is adjusted annually, based on the total amount of your Direct loans, your family size, and your adjusted gross income
- Must reapply annually
- Total amount paid in interest over the new repayment plan will be greater than the total interest paid over a standard repayment plan, but any outstanding principal and interest still owed after 25 years of qualifying payments will be forgiven



## INCOME-SENSITIVE REPAYMENT PLAN

- Available to Federal Family Education Loan Program (FFELP) borrowers only
- Monthly payment varies according to gross monthly income
- Payment includes at least monthly accruing interest
- Must reapply annually
- Total amount paid in interest over the new repayment plan will be greater than the total interest paid over a standard repayment plan

## STANDARD REPAYMENT PLAN

- Lowest total interest costs over life of the loan
- Regular payments of both principal and interest are due monthly, excluding periods of deferment and forbearance
- Minimum monthly payment is \$50 or interest accrued, whichever is larger (payment is based on total loan amount)
- Ten-year repayment term

## GRADUATED REPAYMENT PLAN

- Monthly payments are reduced at the beginning of the repayment period and gradually increase over the repayment period
- Ten-year repayment term
- No single payment will be more than three times greater than any other payment
- Total amount paid in interest over the new repayment plan will be greater than the total interest paid over a standard repayment plan

## EXTENDED REPAYMENT PLAN

- Lengthens repayment term up to 25 years
- Must have a minimum loan balance of \$30,000 to qualify
- Payments can be either fixed or graduated
- Total amount paid in interest over the new repayment plan will be greater than the total interest paid over a standard repayment plan

## RESOURCES

---

Here are some valuable resources for exploring your repayment plan options:

- **Student Loan Repayment Comparison Calculator**

Enter your student loan information to find out what repayment plans you may qualify for and what the monthly payment would be.

Go to [www.AIE.org/paying-for-college/repayment-plans/Repayment-comparison-calculator.cfm](http://www.AIE.org/paying-for-college/repayment-plans/Repayment-comparison-calculator.cfm)

- **Six Things You Should Know about Repayment Plans**

Take this short, online training module to learn the basics about repayment plans so that you can choose a plan that helps you succeed in repayment.

Check it out at [www.TG.org/borrowers/repay/six-things-to-know.cfm](http://www.TG.org/borrowers/repay/six-things-to-know.cfm)