



**For Immediate Release**  
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**Income-Based Repayment offers student loan borrowers manageable payments**

*TG looks to help thousands of borrowers with new repayment option*

Round Rock, TX — TG, the designated student loan guarantor for Texas, is working to help borrowers understand the new Income-Based Repayment (IBR) plan. TG performed a preliminary analysis that indicates more than 60,000 Texas borrowers could potentially qualify for IBR, which is set to begin July 1, 2009.

“TG believes the IBR option will potentially help thousands of borrowers who may be facing tough financial times,” said Sue McMillin, TG President and CEO. “Our hope is that many borrowers will benefit from this new option, which can make their student loan repayments more manageable.”

Because of the positive impact IBR could have on borrowers, TG has developed a national borrower outreach campaign including:

- A dedicated toll-free number (1-888-884-4968) for IBR-related questions
- An electronic newsletter focusing on the latest student loan information
- Direct communications before and throughout the loan repayment process

The following table represents some sample illustrations to better understand the potential impact IBR could have on student loan borrowers:

Examples	Single borrower with no dependents	Married borrower with two children (and no spousal income or spousal student loan debt)	Married borrower with no other dependents
Eligible student loan debt	\$40,000	\$80,000	\$40,000
Interest rate	6.8%	6.8%	6.8%
AGI	\$30,000	\$60,000	\$25,000
10-year Standard plan monthly payment	\$460	\$920	\$460
Estimated monthly payment under IBR plan	\$170	\$340	\$40
Reduction in monthly payment amount	\$290	\$580	\$420

If a borrower’s AGI is below 150 percent of the poverty line amount for the borrower’s family size, the required loan payment will be \$0. If a borrower’s AGI is more than 150 percent of the poverty line amount for the borrower’s family size, loan payment is capped at 15 percent of earnings above that amount. That usually equals less than 10 percent of a borrower’s AGI.

**(more)**

**(TG press release, continued)**

Borrowers can find additional resources at [www.tgslc.org/ibr](http://www.tgslc.org/ibr), including an easy-to-use IBR calculator to help determine potential eligibility and estimated monthly payments, as well as a link to [myTG<sup>SM</sup>](#), which allows borrowers easy access to their TG-guaranteed loans. The IBR application will be added to TG's Web site on July 1, 2009.

“Through the IBR plan, borrowers have assurance that while they are meeting their repayment obligation, they are also creating a positive credit experience that will benefit them in the future,” said McMillin.

The IBR plan was created by Congress under The College Cost Reduction and Access Act of 2007. A key requirement of IBR is that borrowers must initially demonstrate a “partial financial hardship.” IBR establishes a monthly payment amount that takes a borrower's unique situation into account by considering income, family size, and federal student loan debt. A borrower who makes 300 payments (25-year term) under the IBR plan can have the remaining loan balance, if any, forgiven. All 300 payments must be made on or after July 1, 2009. No loan forgiveness will be granted prior to July 1, 2034.

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**Note to editors: TG's Web-based press conference, “Positioning Borrowers for Success,” was recorded and can be found at <http://tgslc.na4.acrobat.com/p41026304/>.**