

## **Loan Repayment Plans**

Although you may select or be assigned a repayment plan when you first begin repaying your student loan, you can change repayment plans at any time—for free.

Contact your loan servicer if you would like to discuss repayment plan options or change your repayment plan. You can get information about all of the federal student loans you have received and find the loan servicer for your loans by logging in to "[My Federal Student Aid](#)."

## **Use Loan Simulator**

Before you contact your loan servicer to discuss repayment plans, you may want to use the Department of Education's [Loan Simulator](#) to get an early look at which plans you may be eligible for and see estimates for how much you would pay monthly and overall.

## **Repayment Plans**

### **1. Standard Repayment Plan**

#### Eligible Borrowers

All borrowers are eligible for this plan.

#### Monthly Payment and Time Frame

Payments are a fixed amount that ensures your loans are paid off within 10 years (within 10 to 30 years for Consolidation Loans).

#### Eligible Loans

- Direct Subsidized and Unsubsidized Loans
- Subsidized and Unsubsidized Federal Stafford Loans
- all PLUS loans
- all Consolidation Loans (Direct or FFEL)

## **2. Graduated Repayment Plan**

### Eligible Borrowers

All borrowers are eligible for this plan.

### Monthly Payment and Time Frame

Payments are lower at first and then increase, usually every two years, and are for an amount that will ensure your loans are paid off within 10 years (within 10 to 30 years for Consolidation Loans).

### Eligible Loans

- Direct Subsidized and Unsubsidized Loans
- Subsidized and Unsubsidized Federal Stafford Loans
- all PLUS loans
- all Consolidation Loans (Direct or FFEL)

## **3. Extended Repayment Plans**

### Eligible Borrowers

If you're a Direct Loan borrower, you must have more than \$30,000 in outstanding Direct Loans.

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### Monthly Payment and Time Frame

Payments may be fixed or graduated, and will ensure that your loans are paid off within 25 years.

### Eligible Loans

- Direct Subsidized and Unsubsidized Loans
- Subsidized and Unsubsidized Federal Stafford Loans
- all PLUS loans
- all Consolidation Loans (Direct or FFEL)

#### **4. Revised, Pay as You Earn Repayment Plan (REPAYE)**

##### Eligible Borrowers

Any Direct Loan borrower with an eligible loan type may choose this plan.

##### Monthly Payment and Time Frame

Your monthly payments will be 10 percent of discretionary income.

Payments are recalculated each year and are based on your updated income and family size.

You must update your income and family size each year, even if they haven't changed.

If you're married, both your and your spouse's income or loan debt will be considered, whether taxes are filed jointly or separately (with limited exceptions).

Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 years (if all loans were taken out for undergraduate study) or 25 years (if any loans were taken out for graduate or professional study).

##### Eligible Loans

- Direct Subsidized and Unsubsidized Loans
- Direct PLUS loans made to students
- Direct Consolidation Loans that do not include PLUS loans (Direct or FFEL) made to parents

#### **5. Income-Based Repayment Plan (IBR)**

##### Eligible Borrowers

You must have a high debt relative to your income.

##### Monthly Payment and Time Frame

Your monthly payments will be either 10 or 15 percent of discretionary income (depending on when you received your first loans), but never more than you would have paid under the 10-year Standard Repayment Plan.

Payments are recalculated each year and are based on your updated income and family size.

You must update your income and family size each year, even if they haven't changed.

If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return.

Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 years or 25 years, depending on when you received your first loans.

You may have to pay income tax on any amount that is forgiven.

### Eligible Loans

- Direct Subsidized and Unsubsidized Loans
- Subsidized and Unsubsidized Federal Stafford Loans
- all PLUS loans made to students
- Consolidation Loans (Direct or FFEL) that do not include Direct or FFEL PLUS loans made to parents

## **6. Income-Contingent Repayment Plan (ICR)**

### Eligible Borrowers

Any Direct Loan borrower with an eligible loan type may choose this plan.

### Monthly Payment and Time Frame

Your monthly payment will be the lesser of

- 20 percent of discretionary income, or
- The amount you would pay on a repayment plan with a fixed payment over 12 years, adjusted according to your income.

Payments are recalculated each year and are based on your updated income, family size, and the total amount of your Direct Loans.

You must update your income and family size each year, even if they haven't changed.

If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return or you choose to repay your Direct Loans jointly with your spouse.

Any outstanding balance will be forgiven if you haven't repaid your loan in full after 25 years.

### Eligible Loans

- Direct Subsidized and Unsubsidized Loans
- Direct PLUS Loans made to students
- Direct Consolidation Loans

## **7. Income-Sensitive Repayment Plan**

### Eligible Borrowers

Available only for FFEL Program loans, which are not eligible for PSLF.

### Monthly Payment and Time Frame

Your monthly payment is based on annual income, but your loan will be paid in full within 15 years.

### Eligible Loans

- Subsidized and Unsubsidized Federal Stafford Loans
- FFEL PLUS Loans
- FFEL Consolidation Loans

## **Consolidate Your Loans**

If you have multiple federal student loans, you can consolidate them into a single Direct Consolidation Loan. This may simplify repayment if you are currently making separate loan payments to different loan holders or servicers, as you'll only have one monthly payment to make. There may be tradeoffs, however, so you'll want to learn about the advantages and possible disadvantages of loan consolidation before you consolidate