Updates to Income-Driven Repayment Plans, *Federal Student Loans: Repaying Your Loans*

The office of Federal Student Aid, U.S. Department of Education, is updating the income-driven repayment plans chart on pages 10 and 11 of *Federal Student Loans: Repaying Your Loans,* a publication that was released in February 2015. The information in this chart, compiled in Spring 2016, includes the new Revised Pay As You Earn (REPAYE) Repayment Plan and other minor updates. The updates are reflected in the PDF version of the publication at **StudentAid.gov/resources**, **FSAPubs.gov**, and **EDPubs.gov**. For changes to repayment plans since then, visit **StudentAid.gov/repay**.

PLAN	ELIGIBLE BORROWERS	ELIGIBLE LOANS	QUICK COMPARISON
Revised Pay As You Earn Repayment (REPAYE) Plan	• Direct Loan Program borrowers with eligible loans	• Direct Subsidized Loans • Direct Unsubsidized Loans • Direct PLUS Loans made to students • Direct Consolidation Loans that do not include PLUS loans (Direct or FFEL) made to parents	• Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 or 25 years. You may have to pay income tax on any amount that is forgiven. • Your monthly payments will be 10 percent of your discretionary income** and can be more than the 10-year Standard Repayment Plan amount. Payments are recalculated each year and are based on your updated income and family size. • 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). • This is a good option if you are seeking Public Service Loan Forgiveness (PSLF).

Pay As You Earn Repayment (PAYE) Plan	• Direct Loan Program borrowers who meet these requirements:
	  • You must be a new borrower* on or after Oct. 1, 2007.
	  • You must have received a disbursement of a Direct Loan on or after Oct. 1, 2011.
	  • To be initially eligible, the required payment amount under this plan must be less than what you would pay under the 10-year Standard Repayment Plan.
		• Direct Subsidized Loans
		• Direct Unsubsidized Loans
		• Direct PLUS Loans made to students
		• Direct Consolidation Loans that do not include PLUS loans (Direct or FFEL) made to parents
			• Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 years. You may have to pay income tax on any amount that is forgiven.
			• Your maximum monthly payments will be 10 percent of your discretionary income** and will never be more than the 10-year Standard Repayment Plan amount. Payments are recalculated each year and are based on your updated income and family size.
			• If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return.
			• You must have a high debt relative to your income.
			• You'll pay more for your loan over time than you would under the 10-year Standard Repayment Plan.
			• This is a good option if you are seeking Public Service Loan Forgiveness (PSLF).

Income-Based Repayment (IBR) Plan	• Direct Loan Program and FFEL Program borrowers who meet this requirement: • To be initially eligible, the required payment amount under this plan must be less than what you would pay under the 10-year Standard Repayment Plan.	• Direct Subsidized Loans • Direct Unsubsidized Loans • Subsidized Federal Stafford Loans • Unsubsidized Federal Stafford Loans • Direct or FFEL PLUS Loans made to students • Direct or FFEL Consolidation Loans that do not include PLUS loans made to parents	• Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 or 25 years. You may have to pay income tax on any amount that is forgiven. • Your monthly payments will be 10 or 15 percent of your discretionary income** and your monthly payment will never be more than the 10-year Standard Repayment Plan amount. Payments are recalculated each year and are based on your updated income and family size. • If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return. • You must have a high debt relative to your income. • You'll pay more for your loan over time than you would under the 10-year Standard Repayment Plan. • This is a good option if you are seeking Public Service Loan Forgiveness (PSLF).

Income-Contingent Repayment (ICR) Plan	• Direct Loan Program borrowers with eligible loans	• Direct Subsidized Loans
		• Direct Unsubsidized Loans
		• Direct PLUS Loans made to students
		• Direct Consolidation Loans (including Direct Consolidation Loans made after July 1, 2006 that repaid PLUS loans made to parents)
			• Any outstanding balance will be forgiven if you haven't repaid your loan in full after 25 years. You may have to pay income tax on the amount that is forgiven.
			• Your payments will be the lesser of
			  • 20 percent of your 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. Your monthly payment can be more than the 10-year Standard Repayment Plan amount.
			• 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.
			• This is a good option if you are seeking Public Service Loan Forgiveness (PSLF).

**For PAYE and IBR, you are a new borrower if you had no outstanding balance on a Direct Loan or Federal Family Education Loan (FFEL) Program loan when you received a Direct Loan on or after the date specified above for each plan.*

***For PAYE and IBR, discretionary income is the difference between your total income and 150 percent of the poverty guideline for your family size and state of residence. For the ICR Plan, discretionary income is the difference between your total income and the poverty guideline for your family size and state of residence. If you are married, under certain circumstances your discretionary income may include your spouse's income.*

Note: There are additional eligibility requirements. View repayment plan details at **StudentAid.gov/repay**.