

STUDENT LOAN

A guide to Income
Driven Repayment
programs.

FORGIVENESS



THE DEPARTMENT OF EDUCATION OFFERS INCOME-DRIVEN REPAYMENT (IDR) PLANS TO BORROWERS WHO QUALIFY, AND THEY CAN LOWER YOUR PAYMENTS. THERE ARE FOUR INCOME-DRIVEN REPAYMENT PLANS AVAILABLE. HERE'S A BRIEF SUMMARY OF EACH.

IBR (INCOME BASED REPAYMENT)

Borrowers before 7/1/14: IBR caps payments at 10% of your discretionary income. These borrowers receive forgiveness after 20 years.

Borrowers after 7/1/14: IBR caps payments at 15% of your discretionary income. These borrowers receive forgiveness after 25 years.

FEDERAL STUDENT LOANS ELIGIBLE FOR IBR:

- Direct Subsidized and Unsubsidized loans
- Direct Graduate PLUS loans
- FFEL Consolidation Loans
- Direct Consolidation Loans

PAYE (PAY AS YOU EARN)

PAYE was introduced in 2012 to give borrowers another program that may help manage their student debt payments.

To qualify you must not have taken out a federal student loan before 10/1/2007 and you must prove that you need assistance in repaying your student loans. Payments are calculated at 10% of your discretionary income with forgiveness after 20 years of payment.

FEDERAL STUDENT LOANS ELIGIBLE FOR PAYE:

- Direct Subsidized and Unsubsidized Loans after 10/1/2011
- Graduate PLUS Loans
- Consolidation loans after 10/1/2011

REPAYE (REVISED PAY AS YOU EARN)

REPAYE was introduced in 2015. Monthly payments are 10% of your discretionary income (no upward limit on payments). Loan forgiveness after 20 years for undergraduate studies and 25 years for graduate studies. REPAYE includes a student loan interest subsidy; 100% of unpaid interest each month is paid for on subsidized loans and 50% of unpaid interest is subsidized for unsubsidized student loans. 100% for subsidized loans is only for the first 3 years, after that it's 50% subsidy for all loans.

FEDERAL STUDENT LOANS ELIGIBLE FOR REPAYE:

- Direct Subsidized and Unsubsidized loans
- Stafford loans
- Graduate PLUS Loans
- non parent federal student loans that are consolidated into direct loans

ICR (INCOME CONTINGENT REPAYMENT)

Monthly payments are set as the lesser of either 20% of your discretionary income, or monthly payments when the loan is amortized over 12 years with forgiveness after 25 years.

ICR is the only plan Parent PLUS loans are eligible.

FEDERAL STUDENT LOANS ELIGIBLE FOR ICR:

- Direct Subsidized and Unsubsidized loans
- Direct PLUS loans
- Direct Consolidation Loans

NEED ADDITIONAL HELP WITH YOUR STUDENT LOANS?

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