

Federal Loan Repayment Plans

PLAN	TERM	PAYMENTS	PROS	CONS
Standard	10 years	-120 Fixed monthly payments of at least \$50	-Quickest way to repay loans -You will pay less interest on your loan over time	-Does not consider income or family size to calculate monthly payment
Graduated	10 years	-Monthly payments start low and increase every two years	-Provides opportunity for monthly payments to increase as income rises -Allows flexibility in changing payment amounts	-You will pay more for your loan over time -Monthly payments steadily increase every 2 years
Extended <i>For borrowers with over \$30,000 in debt</i>	25 years	-Reduced monthly payments that are spread over a greater period -Payments may be fixed or graduated	-Monthly payments will be lower than the standard plan -Easy to request plan via phone, email, or online account access	-Takes longer to pay back -You will pay more for your loan over time -Does not consider income or family size to calculate the monthly payment
Income-Based (IBR) <i>Must have partial financial hardship to qualify, determined by Federal Student Aid</i>	25 years	-Payments change as your income changes -Maximum payment will be 15% of your discretionary income* -IBRinfo.org for calculator to see if you qualify	-Lower monthly payments that are adjusted annually -Payments are based on income and family size -Payments eligible for Public Service Loan Forgiveness -Provides loan forgiveness of remaining balance after 25 years	-You will pay more for your loan over time -Monthly payments may be less than accrued interest -Unpaid interest capitalized if you leave the plan -Annual application required -Must pay taxes on the amount forgiven
Pay As You Earn <i>Must have partial financial hardship to qualify, determined by Federal Student Aid</i>	20 years	-Payments change as your income changes -Maximum payment will be 10% of your discretionary income*	-Lower monthly payments that are adjusted annually -Payments are based on income and family size -Payments eligible for Public Service Loan Forgiveness -Provides loan forgiveness of remaining balance after 20 years	-You will pay more for your loan over time -Annual application required -Must pay taxes on the amount forgiven
Income-Contingent (ICR) <i>For those who do not qualify for IBR or Pay As Your Earn</i>	25 years	-Payments change as your income changes -Payments are based on income, family size, and total amount borrowed	-Lower monthly payments that are adjusted annually -Ten percent capitalization benefit -Payments eligible for Public Service Loan Forgiveness -Provides loan forgiveness of remaining balance after 25 years	-You will pay more for your loan over time -Monthly payments may be less than accrued interest -Unpaid interest capitalized if you leave the plan -Annual application required -Must pay taxes on the amount forgiven

*Discretionary Income is your adjusted gross income minus the poverty guidelines for your family size

For additional detailed information regarding the federal loan repayment plans, please visit www.studentaid.gov.

Contact your loan servicer to discuss repayment plan options.