

Loan Repayment Options				
Repayment Plan	Eligible Loan Types	Description	Advantages	Resources for More Information
Standard Repayment	Direct Subsidized and Unsubsidized Loans or Federal Family Education Loan (FFEL) Subsidized and Unsubsidized Stafford Loans	Under this plan you will pay a fixed monthly amount of up to 10 years. Depending on the amount of the loan, the loan term may be shorter than 10 years. There is a \$50 minimum monthly payment.	Least amount of interest paid during repayment.	http://studentaid.ed.gov/repay-loans/understand/plans/standard
Income-Based Repayment	Federal Family Education Loans (FFEL) and Direct Loans	Similar to Income Contingent Plan but caps the monthly payments at a lower percentage of a narrower definition of discretionary income. (Discretionary income is defined as the adjusted gross income minus the federal poverty line that corresponds to family size and the state one resides.) Student must have a partial financial hardship. For instance, a circumstance in which the annual amount due on the borrower's entire eligible loan exceeds 15 percent of the difference between the borrower's Adjusted Gross Income (AGI) and 150 percent of the poverty guideline for the borrower's family size. Your monthly payments will be lower than payments under the 10-year standard plan. Student will pay more for the loan over time than a student would under the standard plan. If you have not paid your loan in full after making the equivalent of 25 years of qualifying monthly payments, any outstanding balance on your loan will be forgiven. By forgiven, the remaining interest and principal are reinstated and covered. Additionally, the forgiven amount becomes taxable income.	Pay based on what you earn. Under IBR, your monthly payment amount will be 15 percent of your <i>discretionary income</i> , will never be more than the amount you would be required to pay under the 10-year Standard Repayment Plan, and may be less than under other repayment plans. Another advantage is 25-year forgiveness. If you repay under IBR and meet certain other requirements, any remaining balance will be forgiven after 25 years of qualifying repayment.	http://studentaid.ed.gov/PORTALSWebApp/students/english/IBRPlan.jsp
Income-Contingent Repayment	Available only for Direct Loan borrowers	Payments under the income-contingent repayment plan are based on the borrower's income and the total amount of debt. Monthly payments are adjusted each year as the borrower's income changes. The loan term is up to 25 years. At the end of 25 years, any remaining balance on the loan will be discharged. The write-off of the remaining balance at the end of 25 years is taxable under current law. There is a \$5 minimum monthly payment.		http://studentaid.ed.gov/repay-loans/understand/plans/income-contingent

Please Note: This information was current March 2013.

The conditions for these repayment options may change so please investigate current regulations as you plan your financial future.

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Pay As You Earn Repayment		Helps keep your monthly student loan payments affordable, and usually has the lowest monthly payment amount of the repayment plans that based on your income. If you need to make your monthly payments, this plan may be for you. You must be a new borrower as of Oct. 1, 2007; and have received a disbursement of a Direct Loan on or after Oct. 1, 2011. You are a new borrower if you received a disbursement of a loan on or after Oct. 1, 2011.	Pay based on what you earn (payment is based on 10% of your discretionary income) there is an interest payment benefit—If your monthly Pay As You Earn payment amount doesn't cover the interest that accrues (accumulates) on your loans each month, the government will pay your unpaid accrued interest on your Direct Subsidized Loans (and on the subsidized portion of your Direct Consolidation Loans) for up to three consecutive years from the date you began repaying your loan under Pay As You Earn. 20-year forgiveness—If you repay under Pay As You Earn and meet certain other requirements (which will be identified by the servicer of the loan), any remaining balance will be forgiven after 20 years of qualifying repayment.	http://studentaid.ed.gov/repay-loans/understand/plans/pay-as-you-earn
Public Service Loan Forgiveness		Within this program, borrowers may qualify for forgiveness of the remaining balance due on their eligible federal student loans after they have made 120 online payments on those loans under certain repayment plans while employed full time by certain public service employers (i.e. AmeriCorps, Peace Corps). A student may also be eligible for this repayment if receiving in-school deferment. Qualifying employment is any employment with a federal, state, or local government agency, entity, or organization or a non-profit organization that has been designated as tax-exempt by the Internal Revenue Service (IRS) under Section 501(c)(3) of the Internal Revenue Code (IRC). The type or nature of employment with the organization does not matter for PSLF purpose.	If you are paying off your loans under an IBR or ICR plan, your outstanding balance after 10 years of payments will be forgiven. (If you are making payments under a different plan that doesn't reduce your monthly payments like IBR and ICR do, you will have paid off your loans after 120 payments and will not benefit from the PSLF program.)	http://studentaid.ed.gov/sites/default/files/public-service-loan-forgiveness.pdf http://www.studentaid.ed.gov/publicservice http://myfedloan.org/billing-payment/payment-plans/repayment-schedule-estimator.shtml (Loan Repayment Calculator)

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