

Paying Back Federal Student Loans



When it comes to paying back federal student loans, you have 7 different repayment options. Five repayment options are available to everyone and two additional alternatives are only available for those who qualify with a partial hardship. The amount you choose to pay each month and choice of repayment plan will have a substantial effect on the amount of interest you pay over the life of your student loans. These plans can vary depending on your loan provider.

Visit studentloans.gov to estimate your payments now!

<https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action#view-repayment-plans>

STANDARD REPAYMENT PLAN

Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
<ul style="list-style-type: none">• Direct Subsidized and Unsubsidized Loans• Subsidized and Unsubsidized Federal Stafford Loans• all PLUS loans	<ul style="list-style-type: none">• Payments are a fixed amount of at least \$50 per month• Up to 10 years	You'll pay less <i>interest</i> for your loan over time under this plan than you would under other plans

GRADUATED REPAYMENT PLAN

Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
<ul style="list-style-type: none">• Direct Subsidized and Unsubsidized Loans• Subsidized and Unsubsidized Federal Stafford Loans• all PLUS loans	<ul style="list-style-type: none">• Payments are lower at first and then increase, usually every two years• Up to 10 years	You'll pay more for your loan over time than under the 10-year standard plan

EXTENDED REPAYMENT PLAN

Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
<ul style="list-style-type: none"> • Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • all PLUS loans 	<ul style="list-style-type: none"> • Payments may be fixed or graduated • Up to 25 years 	<ul style="list-style-type: none"> • Your monthly payments would be lower than the 10-year standard plan • If you are a <ul style="list-style-type: none"> • Direct Loan borrower, you must have more than \$30,000 in outstanding Direct Loans. • FFEL borrower, you must have more than \$30,000 in outstanding FFEL Program loans <p>For example, if you have \$35,000 in outstanding FFEL Program loans, and \$10,000 in Direct Loans, you can use the extended repayment plan for your FFEL Program loans, but not for your Direct Loans</p> <ul style="list-style-type: none"> • For both programs, you must also be a "<i>new borrower</i>" as of Oct. 7, 1998 • You'll pay more for your loan over time than under the 10-year standard plan

INCOME CONTINGENT PLAN

Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
<ul style="list-style-type: none">• Direct Subsidized and Unsubsidized Loans• Direct PLUS Loans made to students• Direct Consolidation Loans	<ul style="list-style-type: none">• Payments are calculated each year and are based on your adjusted gross income, family size, and the total amount of your Direct Loans• Your payments change as your income changes• Up to 25 years	<ul style="list-style-type: none">• You'll pay more for your loan over time than under the 10-year standard plan• If you do not repay your loan after making the equivalent of 25 years of qualifying monthly payments, the unpaid portion will be forgiven• You may have to pay income tax on the amount that is forgiven

INCOME SENSITIVITY REPAYMENT PLAN

Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
<ul style="list-style-type: none">• Subsidized and Unsubsidized Federal Stafford Loans• FFEL PLUS Loans• FFEL Consolidation Loans	<ul style="list-style-type: none">• Your monthly payment is based on annual income• Your payments change as your income changes• Up to 10 years	<ul style="list-style-type: none">• You'll pay more for your loan over time than you would under the 10-year standard plan• Each <i>lender's</i> formula for determining the monthly payment amount under this plan can vary

INCOME-BASED REPAYMENT PLAN

Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Your maximum monthly payments will be 15 percent of discretionary income, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply) • Your payments change as your income changes • Up to 25 years 	<ul style="list-style-type: none"> • You must have a partial financial hardship • Your monthly payments will be lower than payments under the 10-year standard plan • You'll pay more for your loan over time than you would under the 10-year standard plan • If you have not repaid your loan in full after making the equivalent of 25 years of qualifying monthly payments, any outstanding balance on your loan will be forgiven • You may have to pay income tax on any amount that is forgiven

PAY AS YOU EARN REPAYMENT PLAN

Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
<ul style="list-style-type: none"> • Direct Subsidized and Unsubsidized Loans • Direct PLUS Loans made to students • Direct Consolidation Loans that do not include (Direct or FFEL) PLUS loans made to parents 	<ul style="list-style-type: none"> • Your maximum monthly payments will be 10 percent of discretionary income, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply) • Your payments change as your income changes • Up to 20 years 	<ul style="list-style-type: none"> • You must be a new borrower on or after Oct. 1, 2007, and must have received a disbursement of a Direct Loan on or after Oct. 1, 2011 • You must have a <i>partial financial hardship</i> • Your monthly payments will be lower than payments under the 10-year standard plan • You'll pay more for your loan over time than you would under the 10-year standard plan • If you have not repaid your loan in full after you made the equivalent of 20 years of qualifying monthly payments, any outstanding balance on your loan will be forgiven • You may have to pay income tax on any amount that is forgiven.