Income-Driven Repayment Comparison Chart

Criteria	Income-Based Repayment (IBR)	Income-Based Repayment (IBR) for New Borrowers*	Income-Contingent Repayment (ICR)	Pay As You Earn (PAYE)	Revised Pay As You Earn (REPAYE)
Eligible Borrowers	FFEL borrowers (regardless of when loan was received) and Direct Loan borrowers who are **not** new borrowers* on/after July 1, 2014	Direct Loan new borrowers* on/after July 1, 2014	Direct Loan borrowers (regardless of when loan was received) *(FFEL borrowers may qualify by consolidating their FFELP loans into a Direct Consolidation loan)*	Direct Loan new borrowers* on/after October 1, 2007 who receive a Direct Loan disbursement on/after October 1, 2011 *(FFEL new borrowers* on/after October 1, 2007 may qualify by consolidating their FFELP loans into a Direct Consolidation loan)*	Direct Loan borrowers (regardless of when loan was received) *(FFEL borrowers may qualify by consolidating their FFELP loans into a Direct Consolidation loan)*
Loans Eligible and Ineligible to be Repaid Under the Plan	**Eligible Loans:** Direct and FFEL Subsidized and Unsubsidized Loans, Direct and FFEL student PLUS Loans, Direct and FFEL Consolidation Loans that did not repay any parent PLUS Loans **Ineligible Loans:** Defaulted Direct and FFEL loans, Direct and FFEL parent PLUS loans, Perkins loans, private loans, HEAL loans, Direct and FFEL Consolidation loans that repaid any parent PLUS loans	**Eligible Loans:** Direct Subsidized and Unsubsidized Loans, Direct student PLUS Loans, Direct Consolidation Loans that did not repay any parent PLUS Loans **Ineligible Loans:** Defaulted Direct loans, Direct parent PLUS loans, Perkins loans, private loans, HEAL loans, all FFELP loans (including FFELP loans owned by Dept of Education), and Direct Consolidation loans that repaid any parent PLUS loans	**Eligible Loans**: Direct Subsidized and Unsubsidized Loans, Direct student PLUS Loans, Direct Consolidation Loans, including Direct Consolidation Loans made **on/after** July 1, 2006 that repaid any parent PLUS Loans **Ineligible Loans:** Defaulted Direct loans, Direct parent PLUS loans, Perkins loans, private loans, HEAL loans, all FFELP loans (including FFELP loans owned by Dept of Education), and Direct PLUS Consolidation Loans made **prior** to July 1, 2006 that repaid any parent PLUS loans	**Eligible Loans**: Direct Subsidized and Unsubsidized Loans, Direct student PLUS Loans, Direct Consolidation Loans that did not repay any parent PLUS Loans **Ineligible Loans:** Defaulted Direct loans, Direct parent PLUS loans, Perkins loans, private loans, HEAL loans, all FFELP loans (including FFELP loans owned by Dept of Education), and Direct Consolidation loans that repaid any parent PLUS loans	**Eligible Loans**: Direct Subsidized and Unsubsidized Loans, Direct student PLUS Loans, Direct Consolidation Loans that did not repay any parent PLUS Loans **Ineligible Loans:** Defaulted Direct loans, Direct parent PLUS loans, Perkins loans, private loans, HEAL loans, all FFELP loans (including FFELP loans owned by Dept of Education), and Direct Consolidation loans that repaid any parent PLUS loans
Income Requirement to Qualify	Yes. You must have a partial financial hardship (PFH) to begin repayment under IBR, and to retain an income-driven payment* under IBR in subsequent years.	Yes. You must have a PFH to begin repayment under IBR, and to retain an income-driven payment* under IBR in subsequent years.	Not applicable	Yes. You must have a PFH to begin repayment under PAYE, and to retain an income-driven payment* under PAYE in subsequent years.	Not applicable

This chart compares selected criteria for the IBR, ICR, PAYE, and REPAYE repayment plans and does not describe all eligibility requirements. See the official "Income-Driven Repayment Plan Request" form for a comprehensive description of eligibility criteria for each of these plans.

Criteria	Income-Based Repayment (IBR)	Income-Based Repayment (IBR) for New Borrowers*	Income-Contingent Repayment (ICR)	Pay As You Earn (PAYE)	Revised Pay As You Earn (REPAYE)
Partial Financial Hardship (PFH)	A PFH exists when the annual amount due on your eligible loans, as calculated under the 10-year standard repayment plan, exceeds 15% of your Discretionary Income. *(includes spouse's eligible loans if taxes filed jointly)*	A PFH exists when the annual amount due on your eligible loans, as calculated under the 10-year standard repayment plan, exceeds 10% of your Discretionary Income. *(includes spouse's eligible loans if taxes filed jointly)*	Not applicable	A PFH exists when the annual amount due on your eligible loans, as calculated under the 10-year standard repayment plan, exceeds 10% of your Discretionary Income. *(includes spouse's eligible loans if taxes filed jointly)*	Not applicable
Discretionary Income	Amount by which the Adjusted Gross Income (AGI) on your tax return (or annual income based on your Alternative Documentation of Income) exceeds 150% of the applicable Poverty Guideline* *(includes your spouse's income if taxes filed jointly, unless you are separated, or cannot reasonably access your spouse's income information)*	Amount by which the AGI on your tax return (or annual income based on your Alternative Documentation of Income) exceeds 150% of the applicable Poverty Guideline* *(includes your spouse's income if taxes filed jointly, unless you are separated, or cannot reasonably access your spouse's income information)*	Amount by which the AGI on your tax return (or annual income based on your Alternative Documentation of Income) exceeds 100% of the applicable Poverty Guideline* *(includes your spouse's income if taxes filed jointly, unless you are separated, or cannot reasonably access your spouse's income information)*	Amount by which the AGI on your tax return (or annual income based on your Alternative Documentation of Income) exceeds 150% of the applicable Poverty Guideline* *(includes your spouse's income if taxes filed jointly, unless you are separated, or cannot reasonably access your spouse's income information)*	Amount by which the AGI on your tax return (or annual income based on your Alternative Documentation of Income) exceeds 150% of the applicable Poverty Guideline* *(includes your spouse's income regardless of whether taxes filed jointly, unless you are separated, or cannot reasonably access your spouse's income information)*
Income-Driven Payment*	Generally 15% x Discretionary Income ÷ 12 Minimum Monthly Payment: $0	Generally 10% x Discretionary Income ÷ 12 Minimum Monthly Payment: $0	**Lesser of:** 20% x Discretionary Income ÷ 12 **OR** 12-year standard payment multiplied by Income Percentage Factor* Minimum Monthly Payment: $0	Generally 10% x Discretionary Income ÷ 12 Minimum Monthly Payment: $0	Generally 10% x Discretionary Income ÷ 12 Minimum Monthly Payment: $0

This chart compares selected criteria for the IBR, ICR, PAYE, and REPAYE repayment plans and does not describe all eligibility requirements. See the official "Income-Driven Repayment Plan Request" form for a comprehensive description of eligibility criteria for each of these plans.

Criteria	Income-Based Repayment (IBR)	Income-Based Repayment (IBR) for New Borrowers*	Income-Contingent Repayment (ICR)	Pay As You Earn (PAYE)	Revised Pay As You Earn (REPAYE)
Payment When Borrower Ceases to Have a PFH	You remain under the IBR plan; however, your monthly payment is no longer based on your income. It is based on a 10-year standard payment using the total indebtedness when you entered IBR.	You remain under the IBR plan; however, your monthly payment is no longer based on your income. It is based on a 10-year standard payment using the total indebtedness when you entered IBR.	Not applicable	You remain under the PAYE plan; however, your monthly payment is no longer based on your income. It is based on a 10-year standard payment using the total indebtedness when you entered PAYE.	Not applicable
Payment When Borrower Does Not Re-certify Income	You remain under the IBR plan; however, your monthly payment is no longer based on your income. It is based on a 10-year standard payment using the total indebtedness when you entered IBR.	You remain under the IBR plan; however, your monthly payment is no longer based on your income. It is based on a 10-year standard payment using the total indebtedness when you entered IBR.	You remain under the ICR plan; however, your monthly payment is no longer based on your income. It is based on a 10-year standard payment using the total indebtedness when you entered ICR.	You remain under the PAYE plan; however, your monthly payment is no longer based on your income. It is based on a 10-year standard payment using the total indebtedness when you entered PAYE.	You are placed into the Alternative repayment plan with your payment based on the balance amortized over the remainder of the 20- or 25- year forgiveness period, as applicable, or the next 10 years, whichever is less. You are no longer under the REPAYE plan.
Interest Capitalization - Related to an IDR Plan and when leaving an IDR Plan	Unpaid interest is added to the principal amount of your loan (no maximum) when you no longer have a PFH (including failing to recertify annually). Interest is also capitalized if you choose to leave IBR.	Unpaid interest is added to the principal amount of your loan (no maximum) when you no longer have a PFH (including failing to recertify annually). Interest is also capitalized if you choose to leave IBR.	Unpaid interest for negatively amortized payments (scheduled payment amounts that do not cover accrued interest) is added annually to the principal amount of your loan, if you are not in a deferment or forbearance at that time. The maximum amount to be capitalized is 10% of the loan balance at the start of repayment.	Unpaid interest is added to the principal amount of your loan (up to a maximum of 10% of the loan balance when you entered PAYE) when you no longer have a PFH (including failing to recertify annually). Interest that is not subject to the 10% maximum is capitalized if you choose to leave PAYE.	Unpaid interest is added to the principal amount of your loan (no maximum) if you are removed from REPAYE for failing to recertify your income by the deadline. Interest is also capitalized if you choose to leave REPAYE.

This chart compares selected criteria for the IBR, ICR, PAYE, and REPAYE repayment plans and does not describe all eligibility requirements. See the official "Income-Driven Repayment Plan Request" form for a comprehensive description of eligibility criteria for each of these plans.

Criteria	Income-Based Repayment (IBR)	Income-Based Repayment (IBR) for New Borrowers*	Income-Contingent Repayment (ICR)	Pay As You Earn (PAYE)	Revised Pay As You Earn (REPAYE)
Interest Capitalization - At the end of a deferment or forbearance	Interest may be capitalized at the expiration of a deferment or forbearance, if you are not in a period of PFH at that time.	Interest may be capitalized at the expiration of a deferment or forbearance, if you are not in a period of PFH at that time.	Interest may be capitalized at the expiration of a deferment or forbearance. This is not subject to the 10% limit that applies to the annual capitalization of unpaid negative amortization interest, as indicated above.	Interest may be capitalized at the expiration of a deferment or forbearance, if you are not in a period of PFH at that time. This is also subject to the 10% limit that applies when interest is capitalized when you no longer have a PFH, as indicated above.	Interest may be capitalized at the expiration of a deferment or forbearance.
Potential Interest Subsidy*	On subsidized loans (first 3 years), if eligible*: 100% of difference between monthly payment and monthly accruing interest. Any amount of time used for potential interest subsidy under one plan counts against the 36-month limit if a borrower switches to another IDR plan that provides interest subsidy.	On subsidized loans (first 3 years), if eligible*: 100% of difference between monthly payment and monthly accruing interest. Any amount of time used for potential interest subsidy under one plan counts against the 36-month limit if a borrower switches to another IDR plan that provides interest subsidy.	Not applicable	On subsidized loans (first 3 years), if eligible*: 100% of difference between monthly payment and monthly accruing interest. Any amount of time used for potential interest subsidy under one plan counts against the 36-month limit if a borrower switches to another IDR plan that provides interest subsidy.	On subsidized loans (first 3 years), if eligible*: 100% of difference between monthly payment and monthly accruing interest, **AND** 50% after the 3-year period. On unsubsidized loans*: 50% of difference between monthly payment and monthly accruing interest. Any amount of time used for potential interest subsidy under one plan counts against the 36-month limit if a borrower switches to another IDR plan that provides interest subsidy.

This chart compares selected criteria for the IBR, ICR, PAYE, and REPAYE repayment plans and does not describe all eligibility requirements. See the official "Income-Driven Repayment Plan Request" form for a comprehensive description of eligibility criteria for each of these plans.

Criteria	Income-Based Repayment (IBR)	Income-Based Repayment (IBR) for New Borrowers*	Income-Contingent Repayment (ICR)	Pay As You Earn (PAYE)	Revised Pay As You Earn (REPAYE)
Re-entering the Plan	You must again have a PFH.	You must again have a PFH.	Not applicable	You must again have a PFH.	If you leave REPAYE for another plan, you can re-enter REPAYE. You must provide income documentation for the period you were in the other plan. The amount you would have been required to pay under REPAYE during that period is calculated and compared to the amount you were required to pay under the other plan over the same period. The new REPAYE payment amount is increased if the calculated amount you would have been required to pay if you stayed in REPAYE is more than what you were required to pay under the other plan.
Number of Payments Required for Loan Forgiveness*	300 qualifying payments over at least 25 years	240 qualifying payments over at least 20 years	300 qualifying payments over at least 25 years	240 qualifying payments over at least 20 years	240 qualifying payments over at least 20 years unless you have any Direct loans that you received for graduate or professional study; then 300 qualifying payments over at least 25 years

Contact your lender/servicer for additional details and with any specific questions you have regarding these income-driven repayment plans. You can find contact information for your lender/servicer at www.nslds.ed.gov

This chart compares selected criteria for the IBR, ICR, PAYE, and REPAYE repayment plans and does not describe all eligibility requirements. See the official "Income-Driven Repayment Plan Request" form for a comprehensive description of eligibility criteria for each of these plans.

*Glossary of Terms	
Income-Driven Payment	A formula-based monthly payment calculation, based on your family size, income, and state of residence (and student loan amounts in some cases for ICR). The formula does not consider other debts or expenses, and the formula varies by repayment plan selected.
Income Percentage Factor	Applies only to the ICR plan. The income-percentage factor is an amount published annually by the U.S. Department of Education that is used to calculate your "Income-Driven" Payment. The income-percentage factor that is used for the payment calculation is based on your annual income.
Loan Forgiveness	If your loan is not fully repaid after making the designated number of qualifying payments, and the minimum amount of time has passed, the remaining principal balance and accrued interest on your loan is forgiven. ***Under current IRS rules, amounts forgiven based solely on your participation in an income-driven repayment plan are considered taxable income.***
New Borrower	**For the IBR plan**—A *new borrower* is one who: Has no outstanding balance on a Direct or FFEL Program loan as of July 1, 2014, or has no outstanding balance on a Direct or FFEL Program loan when he or she obtains a new loan on or after July 1, 2014. ***Exception****: An individual is not a new borrower if he or she receives a Direct Consolidation Loan that repays Direct Loans or FFEL Program loans that otherwise made the borrower ineligible, i.e., loans made prior to July 1, 2014*. **For the PAYE plan**—A *new borrower* is one who: Has no outstanding balance on a Direct or FFEL Program loan as of October 1, 2007, or has no outstanding balance on a Direct or FFEL Program loan when he or she obtains a new loan on or after October 1, 2007, **AND** Receives a disbursement of a Direct Subsidized, Unsubsidized, or student PLUS loan on or after October 1, 2011; or receives a Direct Consolidation Loan based on an application received on or after October 1, 2011. ***Exception****: An individual is not a new borrower if the Direct Consolidation Loan repays Direct Loans or FFEL Program loans that otherwise made the borrower ineligible, i.e., loans made prior to October 1, 2007*.
Poverty Guideline	A figure published annually by the U.S. Department of Health and Human Services (HHS) which is used for purposes such as determining eligibility for certain federal benefit programs. The applicable amount is based on your family size and state of residence. If you are not a resident of a state identified in the poverty guidelines (e.g., foreign country), the amount for the 48 contiguous states must be used.
Potential Interest Subsidy	If your monthly payment amount does not cover the monthly interest accruing, in certain instances you may not be required to pay the amount of accruing interest that exceeds the monthly payment. Potential interest subsidy is only available under the IBR, PAYE, and REPAYE plans. **IBR and PAYE:** Subsidized loans and the subsidized portion of Consolidation loans receive 100% of the difference between the monthly payment and the monthly accruing interest for the first consecutive 36 months (excluding periods of economic hardship deferment). If you are a first-time borrower on or after July 1, 2013, other factors may limit this subsidy eligibility even further; contact your loan servicer for more details. **REPAYE:** Subsidized loans and the subsidized portion of Consolidation loans receive 100% of the difference between the monthly payment and the monthly accruing interest for the first consecutive 36 months (excluding periods of economic hardship deferment). Thereafter, they receive 50% of the difference between the monthly payment and the monthly accruing interest. Unsubsidized loans, the unsubsidized portion of Consolidation loans, and subsidized loans that lost interest subsidy due to the 150% limit, receive 50% of the difference between the monthly payment and the monthly accruing interest.

Helpful Hints and Reminders

- There's never a fee to change your repayment plan. Keep in mind that switching plans for one with a lower monthly payment often means paying more over the life of your loan.

- If you are having difficulty making your monthly federal student loan payment, you may want to consider one of the income-driven repayment plans which may reduce your monthly payment amount. A calculator is available at StudentAid.gov/repayment-estimator to estimate and compare your payment amounts under all available repayment plans. Contact your lender/servicer for more information. If you are thinking about Direct Loan Consolidation, know that there can be benefits and consequences to carefully consider. For example:
    1. If you consolidate your FFEL Program loans into a Direct Consolidation loan and are employed by certain public service/non-profit organizations, you could qualify for Public Service Loan Forgiveness (PSLF).
    2. You will forfeit the qualifying payments you've already made on your FFEL or Direct loans, as applicable, for PSLF and for forgiveness under any income-driven repayment plan. Only qualifying payments on the new Direct Consolidation loan will be counted under these forgiveness provisions.
    3. If you are a **military servicemember** and consolidate your FFEL Program loans**,** you could qualify for PSLF and/or the Direct Loan Program zero interest accrual benefit for service in hostile areas that qualify for special pay under section 310 of title 37, United States Code. However, keep in mind that by taking out a Direct Consolidation loan while on active duty, you could forfeit your eligibility to cap your interest rate at 6% under the Servicemembers Civil Relief Act (SCRA).
    4. If you consolidate a Perkins loan, special Perkins loan cancellation provisions will be lost.

- If your monthly IBR, PAYE, or REPAYE payment amount does not cover the interest that accrues on your loans each month, you may not be required to pay the amount of monthly accrued interest that exceeds your monthly payment amount on your eligible loans. Contact your lender/servicer for more information.

- If you are repaying your loans under an income-driven repayment plan, you are required to annually complete the "Income-Driven Repayment Plan Request" form and submit documentation of your income and family size. That means your payment amount may increase or decrease each year based on your income and family size. **Don't miss the deadline for submitting this information**.

- If your income and/or family size change, you can request a re-evaluation of your monthly payment amount at any time during the year. Contact your lender/servicer for more information.

- If you are thinking about leaving an income-driven repayment plan and switching to another repayment plan, contact your lender/servicer to determine what you need to do in order to move to another repayment plan.

- Payments you make under any eligible Direct Loan income-driven repayment plan (IBR, ICR, PAYE, REPAYE), or under any repayment plan if the monthly payment amount paid is not less than the 10-year standard payment amount, are "eligible payments" for purposes of qualifying for income-driven repayment forgiveness or PSLF. If you move from one repayment plan to another, the payment counter for forgiveness does not start over. However, as indicated above, if you consolidate your loans, you will forfeit the qualifying payments you've already made. Only qualifying payments on the new Direct Consolidation loan will be counted under these forgiveness provisions.

- Under the income-driven repayment plans, you may be eligible for forgiveness of any remaining loan balance after making qualifying payments for 20 or 25 years. Under current IRS rules, any loan amount forgiven under the income-driven repayment plans is considered taxable income. However, any amount forgiven after 10 years of qualifying payments under PSLF is not considered taxable income.

- If you have Direct Loans, you can complete your request for an income-driven repayment plan online by visiting StudentLoans.gov. If you have FFEL Loans, contact your loan servicer for more information.

FAQs

Q1 - How do I decide which income-driven repayment (IDR) plan to choose?

A1 - You'll want to choose a plan that works best for your individual circumstances. If you have FFEL Program loans, they are only eligible for IBR. Review Sections 10 and 11 of the "Income-Driven Repayment Plan Request" form to learn about eligibility requirements, key features, and sample payment amounts for each plan. If you want your Direct Loans to be placed on the IDR plan with the lowest monthly payment, the Dept of Education recommends checking the first box in Section 2, Item 2. In addition, a calculator is available at StudentAid.gov/repayment-estimator to estimate and compare your payment amounts under all available repayment plans.

Q2 - What if I qualify for more than one IDR plan, or more than one of the plans that I selected provides the same initial payment amount?

A2 - If you qualify for more than one of the IDR plans on your Direct Loans, your loan holder will use the following order in choosing your plan: REPAYE (if your repayment period is 20 years), PAYE, REPAYE (if your repayment period is 25 years), IBR and then ICR.

Q3 - Can I make a lump sum payment to accelerate the IDR forgiveness of my loan?

A3 - No. The required number of years (20 or 25, as applicable) must also pass. So, you may not accelerate the forgiveness by paying ahead.

Q4 - What if I am applying for REPAYE and I file a separate tax return because I'm separated from my spouse? Do I still need to provide documentation of my spouse's income?

A4 - The REPAYE plan generally requires all married borrowers to provide documentation of both their income and their spouse's income; however, there are two exceptions. If you are separated from your spouse, or you are not able to access your spouse's income, you can certify that fact and apply for REPAYE without providing documentation of your spouse's income.

Q5 - What if my family size or income changes during the year?

A5 - If your circumstances change during the annual payment period previously established, you may request an early re-evaluation of the income-driven payment amount. The "Income-Driven Repayment Plan Request" form is used to request early re-evaluation.

Q6 - What happens to the potential interest subsidy if I switch from the IBR to the PAYE or REPAYE repayment plan? Does the 36-month period start over?

A6 - No. Any amount of time used for potential interest subsidy under one plan counts against the 36-month limit if you switch to another plan. Refer to the Glossary of Terms for more details regarding potential interest subsidy.

Q7 - I am required to annually reapply for each of these income-driven repayment plans. Is there a deadline for the reapplication? What happens if I do not reapply timely?

A7 - Near the end of the current annual 12-month payment period, your lender/servicer will notify you that it is time to submit updated "renewal" documentation to determine if you are eligible to continue making an income-driven payment amount and, if so, to determine what that payment amount will be. The notice will contain the date by which you must provide "renewal" documentation and explain that if your lender/servicer does not receive the required documentation within 10 days after the listed deadline, your payment amount will be recalculated and interest may be capitalized.

Q8 - If I'm already on IBR but want to move to REPAYE, will I have to make a payment (or perhaps a payment under a reduced forbearance)?

A8 - Yes. If you want to leave the IBR plan, you will be placed on the standard repayment plan. You may not change to the REPAYE plan until you have made at least one payment under the standard repayment plan or a payment of at least $5 under a reduced-payment forbearance.