WHEN IT’S TIME TO REPAY

RULE OF THUMB
YOUR PAYMENTS SHOULD NOT EXCEED 8% OF YOUR TOTAL INCOME

EXPLORE YOUR FEDERAL STUDENT LOAN REPAYMENT OPTIONS

WHAT TO WEIGH
WHEN SELECTING A REPAYMENT PLAN
- LOWER PAYMENT
- INCREASED INTEREST
- SMALLER MONTHLY PAYMENTS RESULT IN PAYING MORE INTEREST OVER TIME

GRADUATED
- GRADUAL INCREASES IN LOAN PAYMENT
- PAYMENT INCREASE TIME

FIXED
- SAME PAYMENT FOR LIFE OF LOAN
- PAYMENT AMOUNT TIME

INCOME-DRIVEN
- PAYMENTS BASED ON INCOME NOT JUST LOAN DEBT
- PAYMENT AMOUNT TIME

HOW TO CHOOSE A PLAN

GRADUATED OR EXTENDED-GRADUATED PLANS
- MY INCOME IS LOW, BUT IT SHOULD INCREASE GRADUALLY
- INCOME

STANDARD OR EXTENDED PLANS
- I PREFER A FIXED PAYMENT
- INCOME

INCOME-DRIVEN PLANS
- MY INCOME IS LOW RELATIVE TO MY DEBT OR I'M NOT SURE WHAT MY INCOME WILL BE
- INCOME

AMOUNT OF TIME TO REPAY

10-YEAR REPAYMENT PERIOD:
- AVAILABLE FOR ANY LOAN
- DECREASES TOTAL INTEREST PAID BUT INCREASES MONTHLY PAYMENT COMPARED TO 25-YEAR REPAYMENT PERIOD
- 10 YEARS

25-YEAR REPAYMENT PERIOD:
- MAY BE AVAILABLE IF YOUR LOAN BALANCE EXCEEDS $30,000
- DECREASES MONTHLY PAYMENT BUT INCREASES THE TOTAL INTEREST PAID COMPARED TO 10-YEAR REPAYMENT PERIOD
- 25 YEARS

LONGER REPAYMENT PERIODS ARE AVAILABLE FOR CONSOLIDATION LOANS

PAY AS YOU EARN
- ANY REMAINING BALANCE IS FORGIVEN AFTER 20 YEARS
- 20 YEARS

INCOME-BASED REPAYMENT
- ANY REMAINING BALANCE IS FORGIVEN AFTER 25 YEARS
- 25 YEARS

INCOME-CONTINGENT REPAYMENT
- ANY REMAINING BALANCE IS FORGIVEN AFTER 25 YEARS
- 25 YEARS

YOU CAN CHANGE YOUR REPAYMENT PLAN AT ANY TIME BY CONTACTING YOUR FEDERAL STUDENT LOAN SERVICER. NOT ALL LOANS ARE ELIGIBLE FOR ALL REPAYMENT PLANS. TO LEARN MORE, GO TO STUDENTAID.GOV/REFAY