Federal Student Aid
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Income-Driven Plans

If your federal student loan payments are high compared to your income, you may want to repay your loans under an income-driven repayment plan.

Most federal student loans are eligible for at least one income-driven repayment plan. If your income is low enough, your payment could be as low as $0 per month.

We offer four income-driven repayment plans:

- Revised Pay As You Earn Repayment Plan (REPAYE Plan)
- Pay As You Earn Repayment Plan (PAYE Plan)
- Income-Based Repayment Plan (IBR Plan)
- Income-Contingent Repayment Plan (ICR Plan)

These plans are designed to make your student loan debt more manageable by reducing your monthly payment amount. If you'd like to repay your federal student loans under an income-driven plan, you need to fill out an application.

Apply Now

If you're seeking Public Service Loan Forgiveness, you should repay your federal student loans under an income-driven repayment plan.

How is my monthly payment amount calculated under an income-driven repayment plan?

How do I estimate my payment amount?

How is my monthly payment amount calculated under an income-driven repayment plan?

Generally, your payment amount under an income-driven repayment plan is a percentage of your discretionary income. The percentage is different depending on the plan. The chart below shows how payment amounts are determined under each income-driven plan. Depending on your income and family size, you may have no monthly payment at all.

Income-Driven Repayment Plan	Payment Amount
REPAYE Plan	Generally 10 percent of your discretionary income.
PAYE Plan	Generally 10 percent of your discretionary income, but never more than the 10-year Standard Repayment Plan amount
IBR Plan	Generally 10 percent of your discretionary income if you're a new borrower on or after July 1, 2014*, but never more than the 10-year Standard Repayment Plan amount Generally 15 percent of your discretionary income if you're not a new borrower on or after July 1, 2014, but never more than the 10-year Standard Repayment Plan amount
ICR Plan	The lesser of the following: • 20 percent of your discretionary income or

- what you would pay on a repayment plan with a fixed payment over the course of 12 years, adjusted according to your income

*For the IBR Plan, you're considered a new borrower on or after July 1, 2014, if you had no outstanding balance on a William D. Ford Federal Direct Loan (Direct Loan) Program loan or Federal Family Education Loan (FFEL) Program loan when you received a Direct Loan on or after July 1, 2014. (Because no new FFEL Program loans have been made since June 30, 2010, only Direct Loan borrowers can qualify as new borrowers on or after July 1, 2014.)

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How do I estimate my payment amount?

Use our Repayment Estimator. The Repayment Estimator provides a comparison of estimated monthly payment amounts for all federal student loan repayment plans, including income-driven plans. This comparison is important because the income-driven plans may not provide you with the lowest payment amount based on your individual circumstances. Your payment may be lower under another repayment plan.

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How long will I be in repayment under each plan?

Income-driven repayment plans have different repayment periods.

Income-Driven Repayment Plan	Repayment Period
REPAYE Plan	20 years if all loans you’re repaying under the plan were received for undergraduate study 25 years if any loans you’re repaying under the plan were received for graduate or professional study
PAYE Plan	20 years
IBR Plan	20 years if you’re a new borrower on or after July 1, 2014

	25 years if you're not a new borrower on or after July 1, 2014
ICR Plan	25 years

Under all four plans, any remaining loan balance is forgiven if your federal student loans aren't fully repaid at the end of the repayment period. For any income-driven repayment plan, periods of economic hardship deferment and periods of repayment under certain other repayment plans will count toward your total repayment period. Whether you will have a balance left to be forgiven at the end of your repayment period depends on a number of factors, such as how quickly your income rises and how large your income is relative to your debt. Because of these factors, you may fully repay your loan before the end of your repayment period.

If you're making payments under an income-driven repayment plan and also working toward loan forgiveness under the Public Service Loan Forgiveness (PSLF) Program, you may qualify for forgiveness of any remaining loan balance after you've made 10 years of qualifying payments, instead of 20 or 25 years. Qualifying payments for the PSLF Program include payments made under any of the income-driven repayment plans.

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Am I eligible for income-driven repayment?

- REPAYE Plan
- PAYE and IBR Plans
- ICR Plan

REPAYE Plan

Any borrower with eligible federal student loans can make payments under this plan.

PAYE and IBR Plans

Each of these plans has an eligibility requirement you must meet to qualify for the plan. To qualify, the payment you would be required to make under the PAYE or

IBR plan (based on your income and family size) must be less than what you would pay under the Standard Repayment Plan with a 10-year repayment period.

- If the amount you would have to pay under the PAYE or IBR plan (based on your income and family size) is more than what you would have to pay under the 10-year Standard Repayment Plan, you wouldn't benefit from having your monthly payment amount based on your income, so you don't qualify.
- Generally, you'll meet this requirement if your federal student loan debt is higher than your annual discretionary income or represents a significant portion of your annual income.

In addition to meeting the requirement described above, to qualify for the PAYE Plan you must also be a new borrower as of Oct. 1, 2007, and must have received a disbursement of a Direct Loan on or after Oct. 1, 2011. You're a new borrower if you had no outstanding balance on a Direct Loan or FFEL Program loan when you received a Direct Loan or FFEL Program loan on or after Oct. 1, 2007.

ICR Plan

Any borrower with eligible federal student loans can make payments under this plan.

This plan is the only available income-driven repayment option for parent PLUS loan borrowers. Although PLUS loans made to parents can’t be repaid under any of the income-driven repayment plans (including the ICR Plan), parent borrowers may consolidate their Direct PLUS Loans or Federal PLUS Loans into a Direct Consolidation Loan and then repay the new consolidation loan under the ICR Plan (though not under any other income-driven plan).

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Will I always pay the same amount each month under an income-driven repayment plan?

No. Under all of the income-driven repayment plans, your required monthly payment amount may increase or decrease if your income or family size changes from year to year. Each year you must “recertify” your income and family size. This means that you must provide your loan servicer with updated income and family size information so that your servicer can recalculate your payment. You must do this even if there has been no change in your income or family size.

Your loan servicer will send you a reminder notice when it's time for you to recertify. To recertify, you must submit another income-driven repayment plan application. On the application, you'll be asked to select the reason you're submitting the application. Respond that you are submitting documentation of your income for the annual recalculation of your payment amount.

Although you're required to recertify your income and family size only once each year, if your income or family size changes significantly before your annual certification date (for example, due to loss of employment), you can submit updated information and ask your servicer to recalculate your payment amount at any time. To do this, submit a new application for an income-driven repayment plan. When asked to select the reason for submitting the application, respond that you are submitting documentation early because you want your servicer to recalculate your payment immediately.

PAYE and IBR Plans

Under these plans, your monthly payment amount will be based on your income and family size when you first begin making payments, and at any time when your income is low enough that your calculated monthly payment amount would be less than the amount you would have to pay under the 10-year Standard Repayment Plan.

If your income ever increases to the point that your calculated monthly payment amount would be more than what you would have to pay under the 10-year Standard Repayment Plan, you'll remain on the PAYE or IBR plan, but your payment will no longer be based on your income. Instead, your required monthly payment will be the amount you would pay under the 10-year Standard Repayment Plan, based on the loan amount you owed when you first began repayment under the PAYE or IBR plan. Even if your income continues to increase, your monthly payment will never be more than the 10-year Standard Repayment Plan amount.

During any period when your monthly payment is not based on your income, you still have the option of recertifying your income and family size. If you recertify and your income or family size changes so that your calculated monthly payment would once again be less than the 10-year Standard Repayment Plan amount, your servicer will recalculate your payment and you'll return to making payments that are based on your income.

REPAYE and ICR Plans

Under the REPAYE and ICR Plans, your payment is always based on your income and family size, regardless of any changes in your income. This means that if your income increases over time, in some cases your payment may be higher than the amount you would have to pay under the 10-year Standard Repayment Plan.

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What types of federal student loans can I repay under an income-driven repayment plan?

The chart below shows the types of federal student loans that you can repay under each of the income-driven repayment plans.

Loan Type	REPAYE Plan	PAYE Plan	IBR Plan	ICR Plan
Direct Subsidized Loans	Eligible	Eligible	Eligible	Eligible
Direct Unsubsidized Loans	Eligible	Eligible	Eligible	Eligible
Direct PLUS Loans made to graduate or professional students	Eligible	Eligible	Eligible	Eligible
Direct PLUS Loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*

Loan Type	REPAYE Plan	PAYE Plan	IBR Plan	ICR Plan
Direct Consolidation Loans that did not repay any PLUS loans made to parents	Eligible	Eligible	Eligible	Eligible
Direct Consolidation Loans that repaid PLUS loans made to parents	Not eligible	Not eligible	Not eligible	Eligible
Subsidized Federal Stafford Loans (from the FFEL Program)	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
Unsubsidized Federal Stafford Loans (from the FFEL Program)	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
FFEL PLUS Loans made to graduate or professional students	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
FFEL PLUS Loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*
FFEL Consolidation Loans that did not repay any PLUS loans made to parents	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
	Not eligible	Not eligible	Not eligible	

Loan Type	REPAYE Plan	PAYE Plan	IBR Plan	ICR Plan
FFEL Consolidation Loans that repaid PLUS loans made to parents				Eligible if consolidated*
Federal Perkins Loans	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*

*If a loan type is listed as "eligible if consolidated," this means that if you consolidate that loan type into a Direct Consolidation Loan, you can then repay the consolidation loan under the income-driven plan. For example, only Direct Loans may be repaid under the REPAYE, PAYE, and ICR plans. However, if you consolidate a FFEL Program Loan or Federal Perkins Loan into a Direct Consolidation Loan, you may then be able to repay the Direct Consolidation Loan under the REPAYE, PAYE, and ICR Plan (depending on the type of loan that you consolidate). Note that consolidation is not the right choice for all borrowers or all loan types. In particular, you may lose certain loan benefits if you consolidate a Federal Perkins Loan. Find out more about loan consolidation.

Only federal student loans can be repaid under the income-driven plans. Private student loans are not eligible.

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Is an income-driven repayment plan right for me?

Income-driven repayment plans usually lower your federal student loan payments. However, whenever you make lower payments or extend your repayment period, you will likely pay more in interest over time—sometimes significantly more. In addition, under current Internal Revenue Service (IRS) rules, you may be required to pay income tax on any amount that's forgiven if you still have a remaining balance at the end of your repayment period.

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How do I decide which income-driven repayment plan to choose?

If you've decided that an income-driven repayment plan is right for you, you'll want to choose the plan that provides the most benefit to you based on your individual circumstances. Although all four income-driven plans allow you to make a monthly payment based on your income, the plans differ in terms of who qualifies, how much you have to pay each month, the length of the repayment period, and the types of loans that can be repaid under the plan.

If you have only Direct Loans, you can choose from all four income-driven repayment plans. If you're not sure which plan to choose, you have the option of requesting the income-driven plan that provides the lowest payment amount. Your servicer will determine which plans you qualify for and will then place you on the plan with the lowest monthly payment.

If you have FFEL Program loans, your only income-driven repayment plan option is the IBR Plan. However, if you consolidate your FFEL Program loans into a Direct Consolidation Loan, you'll then have access to the REPAYE, PAYE, and ICR plans. Find out more about loan consolidation.

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How do I apply for an income-driven repayment plan?

Before you apply for an income-driven repayment plan, contact your loan servicer if you have any questions. Your loan servicer will help you decide whether one of these plans is right for you.

To apply, you must submit an application called the Income-Driven Repayment Plan Request. You can submit the application online at StudentLoans.gov or on a paper form, which you can get from your loan servicer. The application allows you to select an income-driven repayment plan by name, or to request that your loan servicer determine what income-driven plan or plans you qualify for, and to place you on the income-driven plan with the lowest monthly payment amount.

When you apply, you'll be asked to provide income information that will be used to determine your eligibility for the PAYE or IBR plans and to calculate your monthly payment amount under all income-driven repayment plans. This may be either your adjusted gross income (AGI) or alternative documentation of income.

Your AGI will be used if

- you filed a federal income tax return in the past two years, and
- your current income isn't significantly different from the income reported on your most recent federal income tax return.

You can provide your AGI in one of the following ways:

- Apply using the online Income-Driven Repayment Plan Request and use the IRS Data Retrieval Tool in the application to transfer income information from your federal income tax return.
- Use the paper Income-Driven Repayment Plan Request and provide a paper copy of your most recently filed federal income tax return or IRS tax return transcript.

If you haven't filed a federal income tax return in the past two years, or if your current income is significantly different from the income reported on your most recent federal income tax return (for example, if you lost your job or have experienced a drop in income), alternative documentation of your income will be used to determine your eligibility and calculate your monthly payment amount. You can provide alternative documentation in one of the following ways:

- If you currently receive taxable income, you must submit a paper Income-Driven Repayment Plan Request with alternative documentation of your income, such as a pay stub.
- If you currently don't have any income or if you receive only untaxed income, you can indicate that on the online or paper application. In this case, you're not required to supply further documentation of your income.

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What other options do I have if I need help repaying my student loans?

If an income-driven repayment plan isn't right for you, contact your loan servicer to discuss other repayment options. You may be able to extend your repayment period through the Extended Repayment Plan or through loan consolidation. You may also be able to temporarily suspend repayment through a deferment or forbearance.

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Where can I learn more about the income-driven repayment plans?

Want more information about the income-driven repayment plans?

1. Download the Income-Driven Repayment fact sheet.
2. Browse the Income-Driven Repayment Plans: Frequently Asked Questions.

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Income-Driven Repayment Plans: Frequently Asked Questions
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Federal Student Loans: Repaying Your Loans
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Glossary

Discretionary Income

For Income-Based Repayment, Pay As You Earn, and loan rehabilitation, discretionary income is the difference between your income and 150 percent of the poverty guideline for your family size and st...

New Borrower

Someone who has no outstanding balance on a Direct Loan or Federal Family Education Loan (FFEL) Program loan when he or she receives a Direct Loan or FFEL Program loan on or after a specific date.<...

William D. Ford Federal Direct Loan (Direct Loan) Program

The federal program that provides loans to eligible student and parent borrowers under Title IV of the Higher Education Act. Funds are provided by the federal government to eligible borrowers throu...

Direct Loan

A federal student loan, made through the William D. Ford Federal Direct Loan Program, for which eligible students and parents borrow directly from the U.S. Department of Education at participating ...

Federal Family Education Loan (FFEL) Program

Under this program, private lenders provided loans to students that were guaranteed by the federal government. These loans included Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford ...

FFEL Program

Federal Family Education Loan Program

Federal Student Loan

A loan funded by the federal government to help pay for your education. A federal student loan is borrowed money you must repay with interest.

Deferment

A postponement of payment on a loan that is allowed under certain conditions and during which interest does not accrue on Direct Subsidized Loans, Subsidized Federal Stafford Loans, and Federal Per…

Disbursement

Payment of federal student aid funds to the borrower by the school. Students generally receive their federal student loan in two or more disbursements.

PLUS Loan

A loan available to graduate students and parents of dependent undergraduate students for which the borrower is fully responsible for paying the interest regardless of the loan status.

Direct Consolidation Loan

A federal loan made by the U.S. Department of Education that allows you to combine one or more federal student loans into one new loan. As a result of consolidation, you will have to make only one …

Consolidation

The process of combining one or more loans into a single new loan.

Loan Servicer

A company that collects payments, responds to customer service inquiries, and performs other administrative tasks associated with maintaining a federal student loan on behalf of a lender. If y…

Federal Perkins Loan

A federal student loan, made by the recipient's school, for undergraduate and graduate students who demonstrate financial need.

Interest

A loan expense charged for the use of borrowed money. Interest is paid by a borrower to a lender. The expense is calculated as a percentage of the unpaid principal amount of the loan.

Adjusted Gross Income (AGI)

Your or your family's wages, salaries, interest, dividends, etc., minus certain deductions from income as reported on a federal income tax return. Commonly referred to as AGI.

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