

Loan Repayment Plan Comparison

| | Standard Repayment | Graduated Repayment | Extended Repayment | Income-Based Repayment (IBR) | Income-Contingent Repayment (ICR) | Pay As You Earn Repayment | Income-Sensitive Repayment (ISR) |
|-----------------------|--|--|--|--|---|--|---|
| Loan Program | Direct Loans & FFELP | Direct Loans & FFELP | Most Direct Loans & FFELP | Most Direct Loans & FFELP | Most Direct Loans | Most Direct Loans | FFELP only |
| Eligibility | This is the default plan if another plan was not selected before entering repayment | Upon request | Must have more than \$30,000 in FFELP or Direct Loans | Must qualify for reduced payments; based on your total federal loan debt, AGI, and family size | Based on your AGI, family size, and total Direct Loan debt | Must qualify for reduced payments; based on your total federal loan debt, AGI, and family size | Based on gross monthly income |
| Payments | Monthly payments are at least \$50 | Payments start low and increase every two years | Fixed annual or graduated repayment | Payments capped at 15% (10% if you are a new borrower ¹) of your discretionary income, based on your AGI and family size | Payments are the lesser of: 20% of your monthly discretionary income (AGI - poverty level + 12), or your monthly payment on a 12-year plan times a percentage factor that varies with your income | Payments are capped at 10% of your discretionary income based on your AGI and family size | Lowers payments for 12 months at a time |
| Loan Term | 10 years (up to 30 years if consolidated) | 10 years (up to 30 years if consolidated) | Up to 25 years | 25-year term (20-year if you are a new borrower ¹); any remaining balance is forgiven | 25-year term, any remaining balance is forgiven | Any remaining balance after 20 years of qualifying payments is forgiven | 5 years, then defaults to Standard or Graduated |
| Advantages | Loan is repaid in the shortest amount of time if payments are made as scheduled Least amount of interest paid if payments are made as scheduled | Works best if you expect your income to increase steadily over time Your largest payment will be no more than three times your smallest payment | Longer loan term, which makes payments lower | A reduced monthly payment amount when you qualify on this plan | Works best if you have a low-paying job | A reduced monthly payment amount when you qualify on this plan | Payments are calculated as affordable, based on your gross monthly income |
| Plan Longevity | Entire term, unless you apply for another plan | Entire term, unless you apply for another plan | Entire term, unless you apply for another plan | Recertify and recalculate payment amount annually by submitting current income documentation and family size | Recertify and recalculate payment amount annually by submitting current income documentation and family size | Recertify and recalculate payment amount annually by submitting current income documentation and family size | Reapply annually by submitting current income documentation and family size |
| Good to Know | If you do not select another plan, you are put on Standard Repayment | Amount due each month must cover interest | You will generally pay more interest on this plan due to longer repayment term | Payments may be as low as \$0, depending on eligibility | Capitalization will not exceed 10% of the original amount you owed when entering repayment | Payments may be as low as \$0, depending on eligibility | If you require lower payments for more than 5 years, consider Extended or Graduated Repayment |

¹You are a new borrower for the IBR plan if you had no outstanding balance on a Direct Loan or FFEL Program loan as of July 1, 2014 or have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan on or after July 1, 2014.

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