



FAQ

INCOME DRIVEN REPAYMENT (IDR) PLANS

What is an Income-Driven Repayment Plan?

An income-driven repayment (IDR) plan is designed to make your student loan debt more manageable by reducing your monthly payment amount. Unlike the PSLF program, IDR plans are not a loan forgiveness program. IDR plans set your monthly student loan payment at an amount that is intended to be affordable based on your income and family size. If you still have a loan balance after making the required 20 or 25 years of qualifying repayment, the remaining balance will be forgiven (this time period varies depending on the plan and other factors).

There are currently 4 types of income driven repayment (IDR) plans:

- Pay As you Earn (PAYE),
- Revised Pay as You Earn (REPAYE),
- Income Contingent Repayment (ICR) and
- Income Based Repayment (IBR).

What types of loans are eligible for IDR Plans?

The chart below shows the types of federal student loans that can be repaid under the income-driven plans. Private student loans and defaulted federal student loans cannot be repaid under any of the income-driven plans.

*A loan type identified as “eligible if consolidated” cannot be repaid under the listed income-driven plan, unless you consolidate that loan type into a Direct Consolidation Loan. Once consolidated, you may then repay the Direct Consolidation Loan under the listed income-driven plan. (*See consolidation warning message below.)

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*
Direct Consolidation Loans that did not repay any PLUS loans made to parents	Eligible	Eligible	Eligible	Eligible
Direct Consolidation Loans made on or after July 1, 2006, that repaid PLUS loans made to parents	Not eligible	Not eligible	Not eligible	Eligible
Subsidized Federal Stafford Loans (made under the FFEL Program)	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
Unsubsidized Federal Stafford Loans (made under 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*
FFEL Consolidation Loans that repaid PLUS loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*
Federal Perkins Loans	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*

How do I know which IDR plan is right for me?

The four income-driven repayment plans have different borrower eligibility. Not all borrowers are eligible for each plan.

You can check your eligibility and compare different IDR plans by visiting the Department of Education's website and utilizing their Loan Simulator. The Loan Simulator will help you get a glimpse of what your monthly payments would look like when you're enrolled in one. Visit <https://studentaid.gov/loan-simulator/> for more information.

I think I am already enrolled in an IDR plan. How can I check?

You will know if you are enrolled in an IDR plan if you simply log into the Department of Education website at www.studentaid.gov. You will need to have or create a FSA ID to access your account.

How do I apply for an IDR plan?

You can apply online at <https://studentaid.gov/app/ibrInstructions.action>. The applications appear at the bottom of the page. You will need your FSA ID to log in to start.

Once I've been placed on an IDR plan do I have to reapply each year?

You don't have to reapply for the plan, but each year you must "recertify" your income and family size by providing your loan servicer with updated information that will be used to recalculate your monthly payment amount. You must do this even if there has been no change in your income or family size. To recertify, you must submit a new Income-Driven Repayment Plan Request online at <https://studentaid.gov/app/ibrInstructions.action>. Your loan servicer should send you a reminder notice when it's time for you to recertify.

Where can I find additional information about IDR plans?

You can find additional information on the U.S. Department of Education's Federal Student Aid website: <https://studentaid.gov/manage-loans/repayment/plans/income-driven/questions>

***WARNING ABOUT CONSOLIDATING FFEL OR PERKINS LOANS**

- On August 22, 2022, President Biden announced \$10,000 to \$20,000 in student debt cancellation for federal loan borrowers who have income below \$125,000, or household income below \$250,000. It was unclear whether privately owned Federal Family Education (FFEL) loans and Perkins loans would qualify for cancellation.
- It was recently determined that borrowers who consolidate FFEL and Perkins loans with other federal loans (e.g., Direct loans) after September 29, 2022, may not be eligible for the \$10,000 or \$20,000 in debt cancellation. (Loans consolidated prior to September 29 remain eligible for debt cancellation.)
- However, FFEL and Perkins loans consolidated into a Direct loan prior to October 31, 2022, continue to be eligible to receive the benefits of the PSLF waiver.
- **Borrowers with individual income below \$125,000, or household income below \$250,000, should review their loans and carefully weigh the benefits of the one-time debt cancellation vs. PSLF loan forgiveness before consolidating their FFEL and Perkins loans into Direct loans.**