

Federal Student Loan Repayment Options

Standard

Under this plan, your monthly payments are:

- a fixed amount of at least \$50 each month
- made for up to 10 years (not including periods of deferment or forbearance)



Eligibility Requirements

- All Direct and FFEL Program loans

Note: Up to 30 years for qualifying loans

Graduated Repayment Plan

Under this plan, your monthly payments:

- Start out low and increase every two years
- are made for up to ten years (not including periods of deferment or forbearance)
- are at least equal the amount of interest that accrues on your loan each month
- can't be more than three times greater than any other payment



Eligibility Requirements

- All Direct and FFEL Program loans

Extended Fixed Repayment Plan

Under this plan, your monthly payments are:

- a fixed amount of at least \$50 each month
- made for up to 25 years (not including periods of deferment or forbearance)



Eligibility Requirements

- Direct and FFEL Program loans are eligible.
- You must have had no outstanding balance on a Direct Loan and/or a FFEL Program loan as of October 7, 1998, or on the date you obtained a Direct Loan and/or a FFEL Program loan after October 7, 1998.
- You must have more than \$30,000 in outstanding Direct Loans or \$30,000 in FFEL Program loans.

Extended Graduated Repayment Plan

Under this plan, your monthly payments:

- start out low and increase every two years
- are made for up to 25 years (not including periods of deferment or forbearance)
- are at least equal the amount of interest that accrues on your loan each month
- can't be more than three times greater than any other payment



Eligibility Requirements

- Direct and FFEL Program loans are eligible.
- You must have had no outstanding balance on a Direct Loan and/or a FFEL Program loan as of October 7, 1998, or on the date you obtained a Direct Loan and/or a FFEL Program loan after October 7, 1998.
- You must have more than \$30,000 in outstanding Direct Loans or \$30,000 in FFEL Program loans.

Federal Student Loan Repayment Options

Revised Pay As You Earn (REPAYE)

Under this plan monthly payments are generally equal to 10% of your discretionary income.

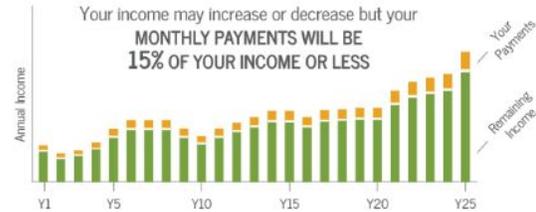


Eligibility Requirements

- Direct Loan Program loans, not in default, are eligible except:
 - Direct PLUS Loans made to parent borrowers and
 - Direct Consolidation Loans that repaid a Direct or FFEL PLUS Loan made to a parent borrower.
- FFEL Program loans are not eligible for this plan, but can become eligible through loan consolidation.

Income Based Repayment (IBR)

Under this plan your monthly payments are generally equal to 15% of your discretionary income (10% if you are a new borrower).



Eligibility Requirements

- To initially qualify for this plan and to continue to make income-based payments under this plan, you must have a partial financial hardship, which means that your calculated payment amount under IBR must be less than what you would pay under the Standard Repayment Plan with a 10-year repayment period.
- Direct Loan and FFEL Program loans, not in default, are eligible except:
 - Direct or FFEL PLUS Loans made to parent borrowers and
 - Direct or FFEL Consolidation Loans that repaid a Direct or FFEL PLUS Loan made to a parent borrower.

Pay As You Earn (PAYE)

Under this plan monthly payments are limited to 10% of your discretionary income.



Eligibility Requirements

- To initially qualify for this plan and to continue to make income-based payments under this plan, you must have a partial financial hardship, which means that your calculated payment amount under PAYE must be less than what you would pay under the Standard Repayment Plan with a 10-year repayment period.
- You must be a new borrower.
- Direct Loan Program loans, not in default, are eligible except:
 - Direct PLUS Loans made to parent borrowers and
 - Direct Consolidation Loans that repaid a Direct or FFEL PLUS Loan made to a parent borrower.
- FFEL Program loans are not eligible for this plan, but can become eligible through loan consolidation.

Income-Contingent Repayment (ICR)

Under this plan your monthly payments are the lesser of:

- what you would pay on a 12-year standard repayment plan adjusted based on your income or
- 20% of your discretionary income.



Eligibility Requirements

- Direct Loan Program loans, not in default, are eligible except:
 - Direct PLUS Loans made to parent borrowers.
- Direct and FFEL PLUS Loans made to parent borrowers may become eligible for this plan through loan consolidation.
- FFEL Program loans are not eligible for this plan, but can become eligible through loan consolidation.

Federal Student Loan Repayment Options

Pros & Cons to Implementing a Direct Consolidation Loan:

A Direct Consolidation Loan allows you to consolidate (combine) multiple federal education loans into one loan. The result is a single monthly payment instead of multiple payments. Loan consolidation can also give you access to additional loan repayment plans and forgiveness programs. Speak to a Certified Student Loan Professional™ to see if a Direct Consolidation is right for your student loan plan.

Pros

- If you currently have federal student loans that are with different loan servicers, consolidation can greatly simplify loan repayment by giving you a single loan with just one monthly bill.
- Consolidation can lower your monthly payment by giving you a longer period of time (up to 30 years) to repay your loans.
- If you consolidate loans other than Direct Loans, it may give you access to additional income-driven repayment plan options and Public Service Loan Forgiveness. (Direct Loans are from the William D. Ford Federal Direct Loan Program.)
- You'll be able to switch any variable-rate loans you have to a fixed interest rate: the new fixed interest rate will be calculated by taking the average of all consolidated interest rates, rounded to the nearest 1/8th of a percent.

Cons

- Because consolidation usually increases the period of time you to have to repay your loans, you might make more payments and pay more in interest than would be the case if you don't consolidate.
- Consolidation may also cause you to lose certain borrower benefits—such as interest subsidies or some loan cancellation benefits—that are associated with your current loans.
- **If you're paying your current loans under an income-driven repayment plan, or if you've made qualifying payments toward Public Service Loan Forgiveness, consolidating your current loans will cause you to lose credit for any payments made toward income-driven repayment plan forgiveness or Public Service Loan Forgiveness.**
- No do-overs/not reversible once accepted.

Important Websites:

StudentAid.ed.gov - Homepage for Federal Student Aid and Login for review of your federal student loan details & information on your loan servicer(s)/holder(s)

StudentAid.gov/IDR - More information on income-based repayment plans

StudentAid.gov/repayment-estimator - Get repayment estimates based on your loans

Studentloans.gov/myDirectLoan/launchConsolidation.action - More information on Direct Consolidation

StudentAid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service - Information on Public Student Loan Forgiveness & other forgiveness options

Annualcreditreport.com - Only legitimate, free website to pull your credit *report* from the 3 credit reporting agencies (Experian, TransUnion, & Equifax)

Federal Student Loan Repayment Options

COMMON DEFINITIONS FOR ALL PLANS:

Capitalization is the addition of unpaid interest to the principal balance of your loan. This will increase the principal balance and the total cost of your loan.

A **deferment** is a period during which you are entitled to postpone repayment of your loans. Interest is not generally charged to you during a deferment on your subsidized loans. Interest is always charged to you during a deferment on your unsubsidized loans.

Discretionary income is the amount by which your income exceeds 150% of the poverty guideline amount (100% of the poverty guideline amount for ICR). **GA Poverty amount for 1 person families in 2019: \$12,490 x 1.5 = \$18,735 - therefor to calculate your discretionary income = Your AGI - \$18,735 = \$X**

The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans.

Family size always includes you and your children (including unborn children who will be born during the year for which you certify your family size), if the children will receive more than half their support from you.

For the PAYE, IBR, and ICR Plans, family size always includes your spouse. For the REPAYE plan, family size includes your spouse unless your spouse's income is excluded from the calculation of your payment amount.

For all plans, family size also includes other people only if they live with you now, receive more than half their support from you now, and will continue to receive this support for the year that you certify your family size. Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs. Your family size may be different from the number of exemptions you claim for tax purposes.

The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (both subsidized and unsubsidized), Federal PLUS Loans, Federal Consolidation Loans, and Federal Supplemental Loans for Students (SLS).

A **forbearance** is a period during which you are permitted to postpone making payments temporarily, allowed an extension of time for making payments, or temporarily allowed to make smaller payments than scheduled.

The **holder** of your Direct Loans is the U.S. Department of Education (the Department). The holder of your FFEL Program loans may be a lender, secondary market, guaranty agency, or the Department. Your loan holder may use a servicer to handle billing, payment, repayment options, and other communications. References to "your loan holder" on this form mean either your loan holder or your servicer.

A **partial financial hardship** is an eligibility requirement for the PAYE and IBR plans. You have a partial financial hardship when the annual amount due on all of your eligible loans (and, if you are required to provide documentation of your spouse's income, the annual amount due on your spouse's eligible loans) exceeds what you would pay under PAYE or IBR.

The annual amount due is calculated based on the greater of **(1)** the total amount owed on eligible loans at the time those loans initially entered repayment, or **(2)** the total amount owed on eligible loans at the time you initially request the PAYE or IBR plan. The annual amount due is calculated using a standard repayment plan with a 10-year repayment period, regardless of loan type.

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When determining whether you have a partial financial hardship for the PAYE plan, the Department will include any FFEL Program loans that you have into account even though those loans are not eligible to be repaid under the PAYE plan, except for: **(1)** a FFEL Program loan that is in default, **(2)** a Federal PLUS Loan made to a parent borrower, or **(3)** a Federal Consolidation Loan that repaid a Federal or Direct PLUS Loan made to a parent borrower.

The **poverty guideline amount** is the figure for your state and family size from the poverty guidelines published annually by the U.S. Department of Health and Human Services (HHS). If you are not a resident of a state identified in the poverty guidelines, your poverty guideline amount is the amount used for the 48 contiguous states. **GA Poverty amount for 1 person families in 2019: \$12,490 (<https://aspe.hhs.gov/poverty-guidelines>)**

The **Public Service Loan Forgiveness (PSLF) Program** forgives the remaining balance on your Direct Loans after you have made 120 (10 years) qualifying payments under a qualifying repayment plan while working full-time (30+ hours per week) for a qualifying employer. A qualifying repayment plan generally includes all of the income-driven repayment (IDR) plans. A qualifying employer includes a government organization, a 501(c)(3) organization, AmeriCorps & Peace Corps volunteers, or a not-for-profit organization that is not a 501(c)(3) organization that provides a qualifying public service as its primary purpose. A qualifying employer never includes a partisan political organization, a labor union, or a for-profit organization. *Your loan will only be forgiven if you meet all PSLF Program eligibility conditions.*

The **standard repayment plan** has a fixed monthly payment amount over a repayment period of up to 10 years for loans other than Direct or Federal Consolidation Loans, or up to 30 years for Direct and Federal Consolidation Loans.

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You are a **new borrower for the PAYE plan** if: **(1)** you have no outstanding balance on a Direct Loan or FFEL Program loan as of October 1, 2007 or have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan **on or after October 1, 2007**, and **(2)** you receive a disbursement of an eligible loan **on or after October 1, 2011**, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011.

You are a **new borrower for the IBR plan** if **(1)** you have no outstanding balance on a Direct Loan or FFEL Program loan **as of July 1, 2014** or **(2)** have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan on or after July 1, 2014.

Meagan Landress, CSLP®

Certified Student Loan Professional™



Financial Coach Meagan

MRLandress, Inc.

678.983.2282

meagan@financialcoachmeagan.com

www.FinancialCoachMeagan.com

P.O. Box 724593

Atlanta, GA 31139