AAMC
Tomorrow's Doctors, Tomorrow's Cures®

Repayment Plans Compared: Which One Works for You?

	Traditional Plans			Income-Driven Plans				
	Standard	**Extended**	**Graduated**	**Income-Contingent Repayment (ICR)**	**Income-Based Repayment (IBR) (for those who borrowed before July 1, 2014)**	**Income-Based Repayment (IBR) (for new borrowers as of July 1, 2014)**	**Pay As You Earn (PAYE)**	**Revised Pay As You Earn (REPAYE)**
Available in Which Loan Program?	Direct and FFEL	Direct and FFEL	Direct and FFEL	Direct only	Direct and FFEL	Direct only	Direct only	Direct only
What Are the Advantages of This Plan?	May provide the lowest total repayment cost (due to less interest accruing)	Reduced monthly payment, without consolidating	Can offer temporary relief to borrowers expecting an income increase in the near future	Payments may initially be lower than traditional plan payments but will increase as income increases. Capitalized interest cannot exceed 10% of the loan amount that enters the plan. After this, interest accrues but does not capitalize.	Provides affordable payments based on family size and adjusted gross income (AGI) for the household, but there is no limit to interest capitalization	Payments mirror the PAYE payments, but there is no limit to interest capitalization.	May allow for the lowest possible monthly payment. Capitalization cannot exceed 10% of the loan amount that enters the plan. After reaching this limit, interest will accrue but does not capitalize.	May allow for the lowest possible monthly payment. When the monthly payment doesn't cover the interest, you are responsible for only 50% of the accrued and unpaid interest.
How Is the Monthly Payment Determined?	Payments calculated equally over the repayment term; payment based on total amount owed	Equal monthly payments stretched over a longer term; payment based on total amount owed	Payments begin lower (interest only in the first 2 years of a 10-year term) and then increase.	Payments are based on the lesser of 20% of your monthly discretionary income or your monthly payment on a 12-year plan times a percentage factor based on your income.	Payments are calculated at 15% of your monthly discretionary income and are based on your family size and AGI for the household. The amount is capped at the 10-year Standard payment amount (determined when you enter IBR).	Payments are calculated at 10% of your monthly discretionary income and are based on your family size and AGI for the household. The amount is capped at the 10-year Standard payment amount (determined when you enter IBR).	Payments are calculated at 10% of your monthly discretionary income and are based on your family size and AGI for the household. The amount is capped at the 10-year Standard payment amount (determined when you enter PAYE).	Payments are calculated at 10% of your monthly discretionary income and are based on your family size and AGI for the household. There is no cap on the maximum payment amount.
What Is the Repayment Term?	10 years (up to 30 years if consolidated)	25 years	10 years (up to 30 years if consolidated)	Up to 25 years (after which any remaining balance is forgiven but will be taxable)	Up to 25 years (after which any remaining balance is forgiven but will be taxable)	Up to 20 years (after which any remaining balance is forgiven but will be taxable)	Up to 20 years (after which any remaining balance is forgiven but will be taxable)	Up to 25 years for a graduate-level student borrower (after which any remaining balance is forgiven but will be taxable)
What Are the Eligibility Requirements?	Plan available upon request	Must owe more than $30,000 in Direct Loans or FFEL	Available upon request	No initial income eligibility. Payments are based on income and family size.	Must have a Partial Financial Hardship (PFH) to qualify	Must be a new borrower on or after July 1, 2014, and also have a PFH to qualify	Must have a PFH, be a new borrower on or after Oct. 1, 2007, and have a Direct Loan disbursement on or after Oct. 1, 2011. Available only for Direct Loans.	Available only for Direct Loans. There are no additional eligibility requirements.
Does It Qualify for PSLF?	Yes	No	No	Yes	Yes	Yes	Yes	Yes
What Else Should You Know About This Plan?	This is the default plan if no other plan is selected. A consolidation loan must be repaid on a 10-year Standard plan (or an income-driven plan) to qualify for PSLF.	This plan will generally cost more than the other traditional plans due to the longer repayment term and the resulting increase in interest costs.	The minimum payment is interest only, which can result in higher interest costs compared with the Standard plan.	Income and family size must be verified annually; no cap on the maximum payment amount.	Income and family size must be verified annually; payments can be as low as $0/month. If filing taxes jointly, spouse's income will be considered in eligibility and payment amounts.	Income and family size must be verified annually; payments can be as low as $0/month. If filing taxes jointly, spouse's income will be considered in eligibility and payment amounts.	Income and family size must be verified annually; payments can be as low as $0/month. If filing taxes jointly, spouse's income will be considered in eligibility and payment amounts.	No cap on the maximum payment or on the amount of interest that can capitalize. Income and family size must be verified annually; payments can be as low as $0/month. Spouse's income is always factored into determining the monthly payment.

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