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.

Apply Now

How is my monthly paymen r

An income-driven repayment plan sets your monthly student loan payment at an amount that is intended to be affordable based on your income and family size. 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)

If you'd like to repay your federal student loans under an income-driven plan, you need to fill out an application.

Apply Now

Why pay for help with your federal student loans when your loan servicer will help you for FREE? Contact your servicer to apply for income-driven repayment plans, student loan forgiveness, and more. Learn more about loan servicers.

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

Try This Resource *Federal Student Loans: Repaying Your Loans*—Provides information about federal student loanrepayment plan options, finding loan history and loan servicers, and making payments.

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.

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.)

How do I estimate my payment amount?

Loan Simulator 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.

How long will I be in repayment under each plan?

Income-driven repayment plans have different repayment periods.

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, periods of repayment under certain other repayment plans, and periods when your required payment is zero 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. Your loan servicer will track your qualifying monthly payments and years of repayment and will notify you when you are getting close to the point when you would qualify for forgiveness of any remaining loan balance.

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.

Am I eligible for income-driven repayment?

Defaulted loans are not eligible for repayment under any of the income-driven repayment plans. Find out how to get out of default.

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. This means that you must have 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, and you must have received a disbursement of a Direct Loan on or after Oct. 1, 2011.

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).

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 recertification 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.

You're not required to report changes in your financial circumstances before the annual date when you must provide updated income information. You can choose to wait until your loan servicer tells you that you need to provide updated income information at the normally scheduled time. If you choose to wait, your current required monthly payment amount will remain the same until you provide the updated income information.

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.

What will happen if I don't recertify my income and family size by the annual deadline?

It's important for you to recertify your income and family size by the specified annual deadline. If you don't recertify your income by the deadline, the consequences vary depending on the plan.

- Under the REPAYE Plan, if you don't recertify your income by the annual deadline, you'll be removed from the REPAYE Plan and placed on an alternative repayment plan. Under this alternative repayment plan, your required monthly payment is not based on your income. Instead, your payment will be the amount necessary to repay your loan in full by the earlier of (a) 10 years from the date you begin repaying under the alternative repayment plan, or (b) the ending date of your 20- or 25-year REPAYE Plan repayment period. You may choose to leave the alternative repayment plan and repay under any other repayment plan for which you are eligible.
- Under the PAYE Plan, the IBR Plan, or the ICR Plan, if you don't recertify your income by the annual deadline, you'll remain on the same income-driven repayment plan, but your monthly payment will no longer be based on your income. Instead, your required monthly payment amount will be the amount you would pay under a Standard Repayment Plan with a 10-year repayment period, based on the loan amount you owed when you initially entered the income-driven repayment plan. You can return to making payments based on income if you provide your servicer with updated income information, and if your updated income still qualifies you to make payments based on income.

In addition to the consequences described above, **if you don't recertify your income by the annual deadline under the REPAYE, PAYE, and IBR plans, any unpaid interest will be capitalized** (added to the principal balance of your loans). This will increase the total cost of your loans over time, because you will then pay interest on the increased loan principal balance.

Under all of the income-driven repayment plans, if you don't recertify your family size each year, you'll remain on the same repayment plan, but your servicer will assume that you have a family size of one. If your actual family size is larger, but your servicer assumes a family size of one because you didn't recertify your family size, this could result in an increased monthly payment amount or (for the PAYE and IBR plans) loss of eligibility to make payments based on income.

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.

REPAYE Plan

ELIGIBLE

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans made to graduate or professional students
- Direct Consolidation Loans that did not repay any PLUS loans made to parents

ELIGIBLE IF CONSOLIDATED*

- Subsidized Federal Stafford Loans (from the FFEL Program)
- Unsubsidized Federal Stafford Loans (from the FFEL Program)
- FFEL PLUS Loans made to graduate or professional students
- FFEL Consolidation Loans that did not repay any PLUS loans made to parents
- Federal Perkins Loans

NOT ELIGIBLE

- Direct PLUS Loans made to parents
- Direct Consolidation Loans that repaid PLUS loans made to parents
- FFEL PLUS Loans made to parents
- FFEL Consolidation Loans that repaid PLUS loans made to parents

PAYE Plan

ELIGIBLE

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans made to graduate or professional students
- Direct Consolidation Loans that did not repay any PLUS loans made to parents

ELIGIBLE IF CONSOLIDATED*

- FFEL PLUS Loans made to graduate or professional students
- FFEL Consolidation Loans that did not repay any PLUS loans made to parents
- Federal Perkins Loans
- Subsidized Federal Stafford Loans (from the FFEL Program)

- Unsubsidized Federal Stafford Loans (from the FFEL Program)
- FFEL PLUS Loans made to graduate or professional students
- FFEL Consolidation Loans that did not repay any PLUS loans made to parents
- Federal Perkins Loans

NOT ELIGIBLE

- Direct PLUS Loans made to parents
- Direct Consolidation Loans that repaid PLUS loans made to parents
- FFEL Consolidation Loans that repaid PLUS loans made to parents
- Direct PLUS Loans made to parents

IBR Plan

ELIGIBLE

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans made to graduate or professional students
- Direct Consolidation Loans that did not repay any PLUS loans made to parents
- Subsidized Federal Stafford Loans (from the FFEL Program)
- Unsubsidized Federal Stafford Loans (from the FFEL Program)
- FFEL PLUS Loans made to graduate or professional students
- FFEL Consolidation Loans that did not repay any PLUS loans made to parents

ELIGIBLE IF CONSOLIDATED*

- Federal Perkins Loans

NOT ELIGIBLE

- Direct PLUS Loans made to parents
- Direct Consolidation Loans that repaid PLUS loans made to parents
- FFEL PLUS Loans made to parents
- FFEL Consolidation Loans that repaid PLUS loans made to parents

ICR Plan

ELIGIBLE

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans made to graduate or professional students
- Direct Consolidation Loans that did not repay any PLUS loans made to parents
- Direct Consolidation Loans that repaid PLUS loans made to parents

ELIGIBLE IF CONSOLIDATED*

- Direct PLUS Loans made to parents
- Subsidized Federal Stafford Loans (from the FFEL Program)
- Unsubsidized Federal Stafford Loans (from the FFEL Program)
- FFEL PLUS Loans made to graduate or professional students
- FFEL PLUS Loans made to parents
- FFEL Consolidation Loans that did not repay any PLUS loans made to parents
- FFEL Consolidation Loans that repaid PLUS loans made to parents
- Federal Perkins Loans

*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 can 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 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.**

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 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.**

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.

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 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.

Note: If you have more than one servicer for the loans that you want to repay under an income-driven plan, you must submit a separate request to each servicer.

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.

Depending on whether you applied electronically or submitted a paper request form and whether you've submitted all required documents, it may take your servicer a few weeks to process your request, because they will need to obtain documentation of your income and family size. If you are currently repaying your loans under a different repayment plan, your loan servicer may apply a forbearance to your student loan account while processing your request for an income-driven repayment plan.

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.

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

Want more information about the income-driven repayment plans? Browse our Income-Driven Plans Questions and Answers page.