



KNOW YOUR STUDENT LOAN OPTIONS

Are you having a hard time making your student loan payments due to an economic hardship or job loss?

Under certain circumstances, you can receive a deferment or forbearance that allows you to temporarily stop making your federal student loan payments or to temporarily reduce the amount of your federal student loan payments. Stopping or reducing your payments may help you avoid default. You'll need to work with your loan servicer to apply for deferment or forbearance; and be sure to keep making payments on your loan until the deferment or forbearance is in place. Your loan servicer will notify you if further information is needed or if you do not qualify.

Is deferment or forbearance right for me?

If you are struggling to repay your loans due to a temporary circumstance, deferment or forbearance may be a good short-term solution.

If you are having trouble repaying your loans due to circumstances that may continue for an extended period, or if you are unsure when you will be able to afford to make your monthly loan payments again, a better option may be to consider changing to an income-driven repayment plan. Income-driven repayment plans base your monthly payments on your income and family size, and in some cases your payment could be as low as \$0 per month. They can also provide loan forgiveness if your loan is not repaid after 20 or 25 years.

Always contact your loan servicer immediately if you are having trouble making your student loan payments.



Have questions? Call or visit the Personal Money Management Center

200 S Central Campus Drive, Salt Lake City Utah 84112

Union, Room 316 | 801-585-7379 | Personal-money-management.utah.edu

INCOME DRIVEN

REPAYMENT OPTIONS

REPAYMENT PLAN	ELIGIBLE LOANS	MONTHLY PAYMENT & TIME FRAME	QUICK COMPARISON
Standard Repayment Plan	<ul style="list-style-type: none"> ▶ Direct Subsidized and Unsubsidized Loans ▶ Subsidized and Unsubsidized Federal Stafford Loans ▶ All PLUS loans ▶ All Consolidation Loans (Direct or FFEL) 	<ul style="list-style-type: none"> ▶ Payments are a fixed amount. ▶ Up to 10 years (up to 30 years for Consolidation Loans). 	<ul style="list-style-type: none"> ▶ All borrowers are eligible for this plan. ▶ You'll pay less over time than under other plans.
Graduated Repayment Plan	<ul style="list-style-type: none"> ▶ Direct Subsidized and Unsubsidized Loans ▶ Subsidized and Unsubsidized Federal Stafford Loans ▶ All PLUS loans ▶ All Consolidation Loans (Direct or FFEL) 	<ul style="list-style-type: none"> ▶ Payments are lower at first and then increase, usually every two years. ▶ Up to 10 years (up to 30 years for Consolidation Loans). 	<ul style="list-style-type: none"> ▶ All borrowers are eligible for this plan. ▶ You'll pay more over time than under the 10-year Standard Plan.
Extended Repayment Plan	<ul style="list-style-type: none"> ▶ Direct Subsidized and Unsubsidized Loans ▶ Subsidized and Unsubsidized Federal Stafford Loans ▶ All PLUS loans ▶ All Consolidation Loans (Direct or FFEL) 	<ul style="list-style-type: none"> ▶ Payments may be fixed or graduated. ▶ Up to 25 years. 	<ul style="list-style-type: none"> ▶ If you're a Direct Loan borrower, you must have more than \$30,000 in outstanding Direct Loans. ▶ If you're a FFEL borrower, you must have more than \$30,000 in outstanding FFEL Program loans. ▶ Your monthly payments will be lower than under the 10-year Standard Plan or the Graduated Repayment Plan. ▶ You'll pay more over time than under the 10-year Standard Plan.
Income-Based Repayment Plan (IBR)	<ul style="list-style-type: none"> ▶ Direct Subsidized and Unsubsidized Loans ▶ Subsidized and Unsubsidized Federal Stafford Loans ▶ All PLUS loans made to students ▶ Consolidation Loans (Direct or FFEL) that do not include Direct or FFEL PLUS loans made to parents 	<ul style="list-style-type: none"> ▶ Your monthly payments will be 10 or 15 percent of discretionary income. ▶ Payments are recalculated each year and are based on your updated income and family size. ▶ If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return. ▶ Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 or 25 years. ▶ You may have to pay income tax on any amount that is forgiven. 	<ul style="list-style-type: none"> ▶ You must have a high debt relative to your income. ▶ Your monthly payment will never be more than the 10-year Standard Plan amount. ▶ You'll pay more over time than under the 10-year Standard Plan. ▶ Good option for those seeking Public Service Loan Forgiveness (PSLF).

INCOME DRIVEN

REPAYMENT OPTIONS

REPAYMENT PLAN	ELIGIBLE LOANS	MONTHLY PAYMENT & TIME FRAME	QUICK COMPARISON
Pay As You Earn Plan (PAYE)	<ul style="list-style-type: none"> ▶ Direct Subsidized and Unsubsidized Loans ▶ Direct PLUS loans made to students ▶ Direct Consolidation Loans that do not include (Direct or FFEL) PLUS loans made to parents 	<ul style="list-style-type: none"> ▶ Your maximum monthly payments will be 10 percent of discretionary income. ▶ Payments are recalculated each year and are based on your updated income and family size. ▶ If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return. ▶ Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 years. 	<ul style="list-style-type: none"> ▶ You must be a <i>new borrower</i> on or after Oct. 1, 2007, and must have received a <i>disbursement</i> of a Direct Loan on or after Oct. 1, 2011. ▶ You must have a high debt relative to your income. ▶ Your monthly payment will never be more than the 10-year Standard Plan amount. ▶ You'll pay more over time than under the 10-year Standard Plan. ▶ You may have to pay income tax on any amount that is forgiven. ▶ Good option for those seeking Public Service Loan Forgiveness (PSLF).
Revised Pay As You Earn Plan (REPAYE)	<ul style="list-style-type: none"> ▶ Direct Subsidized and Unsubsidized Loans ▶ Direct PLUS loans made to students ▶ Direct Consolidation Loans that do not include PLUS loans (Direct or FFEL) made to parents 	<ul style="list-style-type: none"> ▶ Your monthly payments will be 10 percent of <i>discretionary income</i>. ▶ Payments are recalculated each year and are based on your updated income and family size. ▶ If you're married, both you and your spouse's income or loan debt will be considered, whether taxes are filed jointly or separately (with limited exceptions). ▶ Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 or 25 years. 	<ul style="list-style-type: none"> ▶ Any Direct Loan borrower with an eligible loan type may choose this plan. ▶ Your monthly payment can be more than the 10-year Standard Plan amount. ▶ You may have to pay income tax on any amount that is forgiven. ▶ Good option for those seeking Public Service Loan Forgiveness (PSLF).
Income-Contingent Repayment Plan (ICR)	<ul style="list-style-type: none"> ▶ Direct Subsidized and Unsubsidized Loans ▶ Direct PLUS Loans made to students ▶ Direct Consolidation Loans 	<ul style="list-style-type: none"> ▶ Your monthly payment will be the lesser of 20 percent of discretionary income, or the amount you would pay on a repayment plan with a fixed payment over 12 years, adjusted according to your income. ▶ Payments are recalculated each year and are based on your updated income, family size, and the total amount of your Direct Loans. ▶ If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return or you choose to repay your Direct Loans jointly with your spouse. ▶ Any outstanding balance will be forgiven if you haven't repaid your loan in full after 25 years. 	<ul style="list-style-type: none"> ▶ Any Direct Loan borrower with an eligible loan type may choose this plan. ▶ Your monthly payment can be more than the 10-year Standard Plan amount. ▶ You may have to pay income tax on the amount that is forgiven. ▶ Good option for those seeking Public Service Loan Forgiveness (PSLF). ▶ Parent borrowers can access this plan by consolidating their Parent PLUS Loans into a Direct Consolidation Loan.



THE PUBLIC SERVICE LOAN FORGIVENESS PROGRAM

The Public Service Loan Forgiveness (PSLF) Program forgives the remaining balance on your Direct Loans after you have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer.

WHAT IS QUALIFYING EMPLOYMENT?

Qualifying employment for the PSLF Program is not about the specific job that you do for your employer. Rather, it is about who your employer is. Employment with the following types of organizations qualifies for PSLF:

- ▶ Government organizations at any level (federal, state, local, or tribal)
- ▶ Not-for-profit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code
- ▶ Other types of not-for-profit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code, if their primary purpose is to provide certain types of qualifying public services
- ▶ Serving as a full-time AmeriCorps or Peace Corps volunteer also counts as qualifying employment for the PSLF Program.

WHAT DOES NOT QUALIFY FOR PSLF?

- ▶ Labor unions
- ▶ Partisan political organizations
- ▶ For-profit organizations (this includes for-profit government contractors)
- ▶ Not-for-profit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code and that do not provide a qualifying public service as their primary function
- ▶ Government contractors: For-profit government contractors are not qualifying employers. You must be directly employed by a qualifying employer for your employment to count toward PSLF.

If you want to qualify for Public Service Loan Forgiveness now or in the future, complete and submit the Employment Certification form as soon as possible which can be found on studentaid.ed.gov. Too many borrowers wait to submit this important form until they have been in repayment for several years, at which point they learn that they have not been making qualifying payments. In order to ensure you're on track to receive forgiveness, you should continue to submit this form both annually and every time you switch employers.

Your 120 qualifying monthly payments do not need to be consecutive. For example, if you have a period of employment with a non-qualifying employer, you will not lose credit for prior qualifying payments you made. If you make a monthly payment for more than the amount you are required to pay, you should keep in mind that you can receive credit for only one payment per month, no matter how much you pay. You can't qualify for PSLF faster by making larger payments. However, if you do want to pay more than your required monthly payment amount, you should contact your servicer and ask that the extra amount not be applied to cover future payments. Otherwise, you may end up being paid ahead, and you can't receive credit for a qualifying PSLF payment during a month when no payment is due.

For more detailed information, go to www.studentaid.ed.gov/publicservice or contact your federal loan servicer. You can find out how many qualifying payments you've made by logging in to your account at FedLoan Servicing and viewing your loan details or by looking on your most recent billing statement.