

Income-Driven Repayment Plans for Federal Student Loans

What is an income-driven repayment plan?

An income-driven repayment plan is a repayment plan that sets your monthly student loan payment at an amount that is intended to be affordable based on your income and family size. The U.S. Department of Education offers three income-driven repayment plans: Income-Based Repayment Plan (IBR Plan), Pay As You Earn Repayment Plan (Pay As You Earn Plan), and Income-Contingent Repayment Plan (ICR Plan). Most federal student loans are eligible for at least one income-driven repayment plan.

How are monthly payment amounts determined under income-driven repayment plans?

these tables. These figures assume that income increases 5 percent per year and use the 2014 Poverty Guidelines (published by the U.S. Department of Health and Human Services) and Income Percentage Factors (from the U.S. Department of Education).

Debt	IBR Plan for those who are not new borrowers on or after July 1, 2014				Pay As You Earn Plan and IBR Plan for new borrowers on or after July 1, 2014			ICR Plan
	Initial Payment	Final Payment	Total Paid	Months in Repayment	Initial Payment.	Final Payment	Total Paid	

Who is eligible for income-driven repayment?

IBR and Pay As You Earn Plans

Both of these plans have an

What types of federal student loans are eligible to be repaid under an income-driven repayment plan?

Loan Type	IBR Plan	Pay As You Earn Plan	ICR Plan
Direct Subsidized Loans	Eligible	Eligible	Eligible
Direct Unsubsidized Loans			

How do I apply for an income-driven 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 at [StudentLoans.gov](https://studentloans.gov) or on a paper form, which you can obtain from your loan servicer. Along with the application, you will be asked to provide income information. You can document your income using your adjusted gross income (AGI) if (1) you have filed a federal income tax return in the past two years and (2) the income on your most recent federal income tax return is not significantly different from your current income. If you do not meet these conditions for documenting your income using AGI, you must provide alternative documentation of income.

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 most recent 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.