Federal Loan Repayment Choices

You will have a good deal of flexibility in structuring your repayment schedule by choosing from among five basic options:

1. **Standard Repayment**
   - A fixed payment that remains the same during the repayment period of 10 years for Stafford loans.
   - Consolidation loans are typically longer.

   *Standard Repayment is the schedule your loan servicer will select for you unless you specifically request another option. It's also the option that will allow you to pay the least amount of total interest.*

2. **Graduated Repayment**
   - A repayment plan that allows for smaller payments early on (usually when your income is lower), and higher payments in later years (when your income is likely to be greater).
   - 10-year repayment period.

3a. **Income-Sensitive Repayment (for FFEL borrowers only)**
   - Payments are adjusted annually based on expected total gross monthly income. (The only requirement is that the amount is enough to pay at least the interest that accrues every month.)
   - Maximum 10-year repayment period.

3b. **Income-Contingent Repayment (for DL borrowers only)**
   - Payments are adjusted annually, based on borrower's household income, family size and total loan debt.
   - Not available for PLUS loan payments.
   - Maximum 25-year repayment period.

4. **Extended Repayment**
   - New borrowers* with an outstanding loan balance of more than $30,000 in FFELP or DL loans may extend their repayment term up to 25 years.

   *Borrowers with more than $30,000 in outstanding loan debt on or after Oct. 7, 1998.

5. **Income-Based Repayment**
   - The IBR program "caps" loan payments at 15% of your income that exceeds 150% of the federal poverty guideline for your family size.
• A borrower can choose to participate in this payment plan for up to 25 years.
• Most popular repayment plan during residency.

To help determine your monthly payment under IBR, use the calculator found at www.IBRinfo.org.