# Student Loan Repayment—Simply The Facts

<table>
<thead>
<tr>
<th>Most Common Repayment Plan</th>
<th>Advantages</th>
<th>Monthly Payments</th>
<th>Length of Repayment Term</th>
<th>Eligibility Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Base Repayment Plan (IBR)</strong></td>
<td>Provides a lower payment based on family size and AGI</td>
<td>Payments are capped at 15% of your monthly discretionary income and based on your AGI and family size</td>
<td>Up to 25 years (after which, any remaining balance will be forgiven)</td>
<td>Must have a Partial Financial Hardship (PFH) to qualify</td>
</tr>
<tr>
<td>Direct &amp; FFEL</td>
<td></td>
<td>Monthly payments are capped at 15% of your monthly discretionary income and based on your AGI and family size</td>
<td>Up to 25 years (after which, any remaining balance will be forgiven)</td>
<td>Must have a Partial Financial Hardship (PFH) to qualify</td>
</tr>
<tr>
<td><strong>Pay As You Earn (PAYE)</strong></td>
<td>Possibly offers the lowest required monthly payment and interest capitalization is capped at 10% of the original amount owed</td>
<td>Payments are capped at 10% of your monthly discretionary income and based on your AGI and family size</td>
<td>Up to 20 years (after which, any remaining balance will be forgiven)</td>
<td>Must have a Partial Financial Hardship (PFH), be a new borrower on or after 10/1/2007, and received a Direct Loan disbursement on or after 10/1/2011</td>
</tr>
<tr>
<td>Direct Only</td>
<td></td>
<td>Monthly payments are capped at 10% of your monthly discretionary income and based on your AGI and family size</td>
<td>Up to 20 years (after which, any remaining balance will be forgiven)</td>
<td>Must have a Partial Financial Hardship (PFH), be a new borrower on or after 10/1/2007, and received a Direct Loan disbursement on or after 10/1/2011</td>
</tr>
<tr>
<td><strong>Extended Repayment Plan</strong></td>
<td>Reduce monthly payments, without consolidating</td>
<td>Equal monthly payments stretched over a longer term and payment based upon total amount borrowed</td>
<td>Up to 25 years</td>
<td>No requirements</td>
</tr>
<tr>
<td>Direct &amp; FFEL</td>
<td></td>
<td>Monthly payments stretched over a longer term and payment based upon total amount borrowed</td>
<td>Up to 25 years</td>
<td>No requirements</td>
</tr>
<tr>
<td><strong>Standard Repayment Plan</strong></td>
<td>Lowest possible interest cost</td>
<td>Payments are calculated equally over the repayment term; payment based upon total amount borrowed</td>
<td>10-years (up to 30 years if consolidated)</td>
<td>No requirements</td>
</tr>
<tr>
<td>Direct &amp; FFEL</td>
<td></td>
<td>Monthly payments are calculated equally over the repayment term; payment based upon total amount borrowed</td>
<td>10-years (up to 30 years if consolidated)</td>
<td>No requirements</td>
</tr>
</tbody>
</table>

For a complete overview of all the available repayment plans offered by the U.S. Department of Education, please visit: [http://studentaid.ed.gov/repay-loans/understand/plans](http://studentaid.ed.gov/repay-loans/understand/plans)

## Monthly Payment Estimator for Student Borrowers - Stafford Loans

<table>
<thead>
<tr>
<th>Total Loan Amount</th>
<th>Standard Repayment Plan</th>
<th>Income Based Repayment Plan (IBR) and Pay As You Earn (PAYE)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly Payment (10 yrs)</td>
<td>Total Repayment Amount</td>
</tr>
<tr>
<td>$50,000</td>
<td>$540</td>
<td>$64,849</td>
</tr>
<tr>
<td>$75,000</td>
<td>$811</td>
<td>$97,273</td>
</tr>
<tr>
<td>$100,000</td>
<td>$1,081</td>
<td>$129,697</td>
</tr>
<tr>
<td>$125,000</td>
<td>$1,351</td>
<td>$162,121</td>
</tr>
<tr>
<td>$150,000</td>
<td>$1,621</td>
<td>$194,545</td>
</tr>
<tr>
<td>$175,000</td>
<td>$1,891</td>
<td>$226,970</td>
</tr>
<tr>
<td>$200,000</td>
<td>$2,162</td>
<td>$259,394</td>
</tr>
<tr>
<td>$225,000</td>
<td>$2,432</td>
<td>$291,818</td>
</tr>
</tbody>
</table>

All payment amounts are based on an interest rate of 6.81% and are intended to be estimates, check with your loan servicer for more specific payment information.

*Extended - All loans must have been received on or after October 7, 1998 and you must have in excess of $30,000 in federal student loan debt.

To find out what your monthly payments may be, please use the U.S. Department of Education’s Repayment Estimator online at: [https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action](https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action)
Federal Service Loan Forgiveness Program

Students can receive loan forgiveness through the Public Service Loan Forgiveness (PSLF) Program:

- Must make on-time, full monthly payments under Pay As You Earn (PAYE) or Income Base Repayment (IBR) plans while employed full-time in a public service job
- Must make 120 monthly payments that are required to receive loan forgiveness through the PSLF Program
- Employed full-time with a non-profit 501(c)3 organization, government, military, or public service organization
- For medical students, payments made during a full-time residency program can count toward your 120 required payments

For more information on the PSLF Program, please visit: www.myfedloans.org

Consolidation

A Direct Consolidation Loan allows you to consolidate multiple federal student loans into one loan.

There is no application fee to consolidate your federal student loans.

Multiple interested rates will be calculated as a weighted average interest rate. You can consolidate your loans only if you completed your degree program or are no longer enrolled.

For more information on consolidating your student loans, please visit: http://studentaid.ed.gov/repay-loans/consolidation

Gold Standard

Go for the Gold! Be proactive with your Personal Finance and follow the Gold Standard

- Create a personal budget/spending limitations
- Creating an account with your student loan servicer
- Knowing your total loan amount and estimated standard and extended monthly payments
- Understanding the Federal Public Service Loan Forgiveness Program
- Understanding income base repayment plans
- Attending at least one FLIGHT presentation each school year
- Reading an article related to personal finance every week
- Pulling a copy of your credit report each school year at www.annualcreditreport.com
- Filing your FAFSA by March 15th each school year
- Liking the FLIGHT Facebook page

Creating a Budget

- Identify all of your monthly expenses or monies that are outgoing.
- Total your fixed (i.e. rent, car payment, insurance premium) and variable (groceries, entertainment, clothing, etc.) expenses and subtract that amount from your income.
- Once all of your income and expenses have been honestly accounted for and properly subtracted, the remaining number is your discretionary income.
- If you’re being completely honest in your planning, you may find that your discretionary income is a negative number. If so, go back and adjust accordingly until you break even. (AAMC, 2013)

Exit Counseling

Federal Law has issued a new requirement that ALL students who receive federal student aid must attend an exit loan counseling session prior to graduation. The purpose of exit review counseling is to acquaint students with the type - or types - of loan they have, the amount of their indebtedness, and their rights and responsibilities under each loan program. Students can complete exit loan counseling for their Federal Direct Loan (Stafford and Grad PLUS) via this website https://studentloans.gov. For Perkins Loan exit counseling, please visit to http://www.heartlandecsi.com for more information.

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IMPORTANT WEBSITES

http://www.uthsc.edu/finaid/flight/

- www.nslds.ed.gov
- www.studentaid.gov
- www.fafsa.gov
- www.equifax.com
- www.experian.com
- www.transunion.com