WAYNE STATE
School of Medicine

Direct/Stafford, Grad Plus and Federal Consolidation Loan Repayment Plans, compare at https://studentaid.gov/loan-simulator/

Two important facts: 1) No prepayment penalties and 2) borrowers may change repayment plans as needed.
(Note: Changing from one plan to another, even among income-driven plans, will result in a capitalization of outstanding interest).

These *do not apply* to Perkins, HPSL, LDS or NSL unless consolidated with Direct Loans to make them eligble.*

	Name	*Description*	*Maximum Repayment Period*	*Eventual Forgiveness (if non PSLF)*	*Count for PSLF?*	*Other considerations, caveats, and conditions*
Income-Driven (IDR) Plans: These are good repayment plans for residents, fellows, and students transitioning from professional school	Revised Pay as you Earn (REPAYE)	Payments are typically no more than 10% of your household's discretionary income.** Adjusted annually. Under this plan payments can continue to rise above standard amount - no Partial Financial Hardship (PFH)*** requirement.	25 years	after 25 years/taxable	Yes, not taxable	No "new borrower" requirements. Spouses income is factored in payment regardless of tax filing status but if both hold student loan debt, payment based on % of student loan debt held. Only Direct Loans qualify. Subsidy of 100% of remaining interest (after payment) on subsidized loans for 3 years, 50% remaining interest subsidy on unsubsidized loans unpaid interest. Accrued interest does not capitalize until you leave the plan.
	Pay as you Earn (PAYE)	Sets payments at 10% of households discretionary income**. Adjusted annually. Must be experiencing a Partial Financial Hardship (PFH).*** Once no longer experiencing PFH, can remain in the plan and maximum payment will not exceed Standard payment plan amount.	20 years	after 20 years/taxable	Yes, not taxable	Must be new borrower i.e. no balance on a loan as of 10/1/2007, and new loan after 9/30/2011. 3-yr subsidy of interest on subsidized loans only. Only Direct loans qualify. Married borrowers qualify for pmts based on joint income, if both have student loans then also % of that debt, or may have payments based on borrower's income only by filing separately.
	Income-Based (IBR)	Sets payments at 15% of a households discretionary income.** Adjusted annually. Must be experiencing a Partial Financial Hardship (PFH).*** Once no longer experiencing PFH, may remain in the plan and maximum payment will not exceed Standard payment plan amount.	25 years	after 25 years/taxable	Yes, not taxable	3-yr interest subsidy available on subsidized loans only. FFEL loans *do* qualify for this plan. Married borrowers qualify for pmts based on % of joint income, if both have student loans then also % of that debt, or may have payments based on borrower's income only by filing separately.
Original (and less generous) IDR Plan	Income Contingent	Payments set around 20% of discretionary income; adjusted annually. Partial Financial Hardship is not necessary to qualify - no new borrower requirements.	25 years	after 25 years/taxable	Yes, not taxable	Only Direct Loans are eligible. No interest subsidy available.
Debt driven plans: Repayment Plans based on total debt, not total income	Standard	Fixed payment based on pay-off of total debt over 120 months. This is the plan to be in during years of full professional salary when the goal is accelerated repayment.	10 years	No	Yes, not taxable	Default repayment plan if no other plan chosen. Highest initial monthly payment, but lowest total interest paid over life of the loan. Included as eligible for PSLF due to scenarios where borrowerr may temporarily be in this plan.
	Graduated	10-year repayment beginning with interest only pyaments that increase 3 to 4 more times incrementally to payments that far exceed the standard repayment amount during the last few years.	10 years	No	No	Before Income-Driven Plans, a way for borrowers to manage repayment with smaller initial payments.
	Extended	Fixed payment based on a pay-off of total debt over 25 years.	25 years	No	No	Although payments are lower; longer term of repayment dramatically increases the cost over the life of the loan.
	Extended Graduated	Payments are adjusted incrementally over time starting out as low as interest only and increasing over time.	25 years	No	No	Ultimately payments and total costs are highest with this plan.

Other Loans that are not eligible for IBR and PAYE: Institutional University Loans, Primary Care Loans, Private Loans, Consolidation Loans that include Parent Plus Loans and defaulted loans

*****Discretionary Income: AGI from Federal Tax Return minus 150% of poverty level: an annual figure published by US Dept of Health and Human Services; also based on family size and state of residence***

******Partial Financial Hardship (PHF): when the annual amount due on loans under the 10-year Standard Payment Plan exceeds 15% (for IBR) or 10% (for PAYE/REPAYE) of the borrower's discretionary income***

Education Loans outside of the Federal Student Loan Program cannot be consolidated with Federal Loans