

## Additional Information

### Repayment Calculators

SLGFA has a number of helpful calculators on its Web site that can help you make the right decisions when it comes to your student loans. Some of the calculators we offer in partnership with Mapping Your Future include a budget calculator, a loan repayment calculator, a savings calculator, and more. All of these can be found at [www.slgfa.org](http://www.slgfa.org).

### Useful URLs

- [www.slgfa.org](http://www.slgfa.org)
- [www.ibrinfo.org](http://www.ibrinfo.org)
- [www.ibrinfo.org/calculator.php](http://www.ibrinfo.org/calculator.php)

### Ask For Help

Remember to ask for help if you're having problems making payments. Contact DANA\* for information and/or forms you might need to avoid default at 800-622-3446, ext. 655 or by e-mail at [dpdana@slgfa.org](mailto:dpdana@slgfa.org).



10 Turtle Creek Lane  
Little Rock, AR 72202-1884  
Phone: 800-622-3446  
Fax: 501-688-7675  
E-mail: [slgfa@slgfa.org](mailto:slgfa@slgfa.org)  
Web site: [www.slgfa.org](http://www.slgfa.org)

\*DANA is Default Assistance Now Available, a service provided by SLGFA's Default Prevention Department.

## Student Loan Repayment Options

There are several flexible repayment plans for Direct and FFEL Program loans. You have the ability to select the option that will best meet your needs and help you to manage this important financial responsibility.

### Standard

- Minimum payment is \$50 but may be more depending on your loan balance
- Monthly payment may change to reflect annual changes in the loan's variable interest rate
- Repayment term is 10 years

### Graduated

- Payments are graduated over time; you will begin with a lower payment, which may increase over the repayment period
- Repayment term is 10 years
- More interest accrues over the life of the loan because the principal balance decreases at a slower rate

### Extended

- Available to new borrowers on or after October 7, 1998, who have a minimum balance of \$30,000 in student loans
- You may select a standard or graduated repayment plan
- Repayment term is 25 years
- More interest accrues over the life of the loan because the principal balance decreases at a slower rate

### Income-Sensitive (for FFELP loans only)

- Payments are adjusted based on your gross monthly income; however, payments cannot be lower than your monthly interest amount
- Payment amount and eligibility will be verified annually
- Repayment term is up to 15 years
- More interest accrues over the life of the loan because the principal balance decreases at a slower rate

### Income-Contingent (for Direct Loans only)

- Payments are based on your annual income (and that of your spouse, if married), your family size, and the total amount of your Direct Loans
- Repayment term is 25 years
- Outstanding balance after 25 years will be forgiven, but you may have to pay income tax on the forgiven amount
- Graduate and professional student PLUS borrowers are eligible to use this plan, but not parent PLUS borrowers

You can prepay your loans at any time without an early-repayment penalty. You also have the ability to change your repayment plan once a year.

# What Is Income-Based Repayment (IBR)?

## Income-Based Repayment

- For borrowers with high student loan debt relative to income
- Payment is an adjusted amount based on your income, your family size, and federal student loan debt
- Payment amount and eligibility will be verified annually
- More interest accrues over the life of the loan because the principal balance decreases at a slower rate
- Outstanding balance will be forgiven after 25 years; the amount forgiven may be taxable
- Available for Stafford, Grad PLUS and Federal Consolidation loans that do not include Parent PLUS loans

## What Are the Benefits?

### Pay As You Earn

Under IBR, your monthly payment amount will be less than the amount you would be required to pay under a 10-year standard repayment plan and may be less than under other repayment plans. However, these lower payments may result in a longer repayment period and additional interest.

### Interest Payment Benefit

If your monthly IBR payment does not cover the monthly interest that accrues on the loans, the government will pay your unpaid interest on Subsidized Stafford loans (either Direct Loan or FFEL) for up to three consecutive years from when you first enter IBR. After three years, and for all the other types of loans, interest that accrues will be capitalized (added to the loan principal on which future interest is calculated).

### 25-Year Cancellation

If you repay under the IBR plan for 25 years and meet certain other requirements, any remaining balance will be forgiven.

### 10-Year Public Service Loan Forgiveness

This benefit only pertains to loans in the Direct Loan program. If you work in public service and have reduced loan payments through IBR, your remaining balance after 10 years in a public service job could be cancelled if you made loan payments for each month of those 10 years. However, only the payments made while in the Direct Loan Program will count toward the required 120-monthly payments.



## What Are the Disadvantages?

### You May Pay More Interest

The faster you repay your loans, the less interest you pay. Because a reduced payment in IBR generally extends your repayment period, you may pay more total interest over the life of the loan.

### You Must Submit Your Annual Documentation

To set your payment amount each year, your loan holder needs updated information about your income and family size. If you do not provide the documentation, your payment reverts to the standard 10-year repayment amount.

## IBR Monthly Payment Amount\*

Annual Income	Family Size (not including spouse)			
	1	2	3	4
\$10,000	\$0	\$0	\$0	\$0
\$15,000	\$0	\$0	\$0	\$0
\$20,000	\$50	\$0	\$0	\$0
\$25,000	\$110	\$40	\$0	\$0
\$30,000	\$170	\$100	\$30	\$0
\$35,000	\$230	\$160	\$90	\$20
\$40,000	\$300	\$230	\$160	\$90
\$45,000	\$360	\$290	\$220	\$150
\$50,000	\$420	\$350	\$280	\$210
\$55,000	\$480	\$410	\$340	\$270
\$60,000	\$550	\$480	\$410	\$340
\$65,000	\$610	\$540	\$470	\$400
\$70,000	\$670	\$600	\$530	\$460

\*Based on a student loan debt of \$75,000, at an interest rate of 6.8% for residents not living in Alaska or Hawaii.