

| Interest Subsidy in DR Plans |  |  |
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| Subsidy of accrued interest during "negative amortization" |  |  |
| Plans | Subsidized Loans | Unsubsidized Loans |
| Income Based Repayment (IBR) for New Borrowers | $100 \%$ of negative amortization during first 3 years in plan; none thereafter | NONE |
| Pay As You Earn (PAYE) | $100 \%$ of negative amortization during first 3 years in plan; none thereafter | NONE |
| Revised Pay As You Earn (REPAYE) | $100 \%$ of negative amortization during first 3 years in plan; 50\% thereafter | $50 \%$ of negative amortization during all years in plan |
| Income Based Repayment (IBR) | $100 \%$ of negative amortization during first 3 years in plan; none thereafter | NONE |
| Income Contingent Repayment (ICR) | NONE | NONE |

## REPAYE vs. PAYE vs. IBR What IDR plan should you choose?

| "New" Borrower (REPAYE vs. PAYE) | Not a "New" Borrower <br> (REPAYE vs. IBR) |
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| - REPAYE if single AND negative amortization exists--you will receive more interest subsidy (consider changing to PAYE once negative amortization no longer exists, and/or you get married AND your spouse works AND you file separate federal tax returns) <br> PAYE if negative amortization does NOT exist-forgiveness occurs five (5) years sooner in PAYE | $\square$ REPAYE if single AND negative amortization exists--you will receive more interest subsidy (consider changing to IBR if you get married AND your spouse works AND you file separate federal tax returns-may provide lower monthly payment) <br> - IBR (15\%) if negative amortization does NOT exist AND you are married/spouse works/you file separate federal tax returns--lower monthly payment |

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$\qquad$ ou get married AND your spouse works AND you file separate federa

PAYE if negative amortization does NOT exist-forgiveness occurs five
(5) years sooner in PAYE amortization does NOT exist AND you $\qquad$ are married/spouse works/you file monthly payment $\qquad$ interest to be capitalized (added to principal balance).

