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Income-Driven Repayment Plans

The *One Big Beautiful Bill Act* (*OBBBA*) made significant changes to the federal student aid programs. This page has been updated with the latest information. To learn more, visit StudentAid.gov/bigupdates.

An income-driven repayment (IDR) plan bases your monthly student loan payment amount on your income and family size or number of dependents. For some people, payments on an IDR plan can be as low as $0 per month.

FAST FACTS

- Monthly payments in IDR are based on your income.
- Each year, you must update your income and family size (this is called recertifying your IDR plan).
- If you have eligible loans, applying for a new IDR plan is quick and easy if you provide consent for us to obtain your federal tax information directly from the IRS. This allows us to process your application faster and eliminates the time-consuming work of manually uploading your income information.
- By providing consent for us to access your federal tax information, we can automatically recertify your IDR plan each year.
- By the end of the repayment period in an IDR plan, any remaining balance that you have not paid off may be discharged.

There are several income-driven repayment plans:

- Repayment Assistance Plan (RAP)
- Income-Based Repayment (IBR) Plan
- Income-Contingent Repayment (ICR) Plan*
- Pay As You Earn (PAYE) Repayment Plan*

To repay your federal student loans under an IDR plan, you need to fill out an application. Not all borrowers are eligible for all (or any) of these plans.

***Important:** *OBBBA* eliminates the ICR and PAYE Plans in the future (no later than July 1, 2028). We will publish more information when it's available.

Apply for IDR

The best way to compare repayment plans is by using our Repayment Calculator. You can use this tool to estimate your monthly payments on different plans and compare plans you're eligible for.

Estimate Payments and Compare Plans

If you're seeking Public Service Loan Forgiveness (PSLF), you should repay your federal student loans under an IDR plan.

Lower Monthly Payments

Your monthly payment amount under an IDR plan is based on your income. Depending on your income and family size (or number of dependents), your payment could be as low as $0. Your required monthly payment amount may increase or decrease if your income or family size (or number of dependents) changes from year to year.

Use our Repayment Calculator to estimate your personalized monthly payment under different repayment plans, including IDR plans.

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ICR and RAP Payments Are Not Capped

IDR Repayment Period

Under IDR, any remaining loan balance may be discharged after you've made the required number of qualifying monthly payments over the relevant repayment period (20, 25, or 30 years). The length of your repayment period depends on which plan you're on.

Compare IDR Plans

Repayment Plan	Monthly Payment Calculation	Repayment Period (in years)
Repayment Assistance Plan	1% to 10% of adjusted gross income divided by 12 months, minus $50 for each dependent Learn more about how monthly payments are calculated under RAP.	30
IBR Plan (first borrowed after July 1, 2014, and before July 1, 2026)	10% of discretionary income	20
IBR Plan (borrowed before July 1, 2014)	15% of discretionary income	25
ICR Plan	20% of discretionary income	25
PAYE Plan	10% of discretionary income	20

Eligibility

Defaulted loans are not eligible for repayment under IDR plans.

PAYE Plan Income Cap

To qualify for the PAYE Plan, your monthly payment must be less than what you would pay under the Standard Repayment Plan with a 10-year repayment period.

Generally, you'll meet this requirement if your federal student loan debt is higher than your annual discretionary income or if it represents a significant portion of your annual income.

PAYE New Borrower Requirement

To qualify for the PAYE Plan, you must be a new borrower. This means that you must have had no outstanding balance on a Direct Loan or FFEL Program loan when you received a Direct Loan or FFEL Program loan on or after Oct. 1, 2007, and you must have received a disbursement of a Direct Loan on or after Oct. 1, 2011. You also must not have received any new loan, including a new consolidation loan, on or after July 1, 2026.

Read more on what it means to be a new borrower for the PAYE Plan.

Eligible Loan Types

The chart below shows the types of federal student loans that you can repay under each of the income-driven repayment plans.

Loan Type	RAP	PAYE Plan	IBR Plan

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Direct Unsubsidized Loans	Eligible	Eligible	Eligible	Eligible
Direct PLUS Loans made to graduate or professional students	Eligible	Eligible	Eligible	Eligible
Direct PLUS Loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*
Direct Consolidation Loans that did not repay any PLUS loans made to parents	Eligible	Eligible	Eligible	Eligible
Direct Consolidation Loans that repaid PLUS loans made to parents	Not eligible	Not eligible	Not eligible	Eligible
Subsidized Federal Stafford Loans (from the FFEL Program)	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
Unsubsidized Federal Stafford Loans (from the FFEL Program)	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
FFEL PLUS Loans made to graduate or professional students	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
FFEL PLUS Loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*
FFEL Consolidation Loans that did not repay any PLUS loans made to parents	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
FFEL Consolidation Loans that repaid PLUS loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*
Federal Perkins Loans	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*

What does "eligible if consolidated*" mean?

Update Income and Family Size Yearly (i.e., IDR Recertification)

You must "recertify" your income and family size each year you're enrolled in an IDR plan. This means that you provide us with your latest income and family size information so your loan servicer can recalculate your monthly payment amount. You must recertify your income and family size information even if they haven't changed since your last recertification.

It's important for you to recertify your income and family size by your specified deadline. If you don't recertify your income by the deadline, your monthly payment amount won't be based on your income and family size, which means it may increase.

Recertify Your IDR Plan Automatically

If you gave your consent for us to access your tax information when you applied for IDR, we will take care of automatically recertifying your plan on its recertification date. We'll notify you well before your new payment amount goes into effect. If for any reason we are unable to perform this calculation automatically, you will be asked to provide your income information manually.

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RAP Consequences of Not Recertifying

PAYE and ICR Consequences of Not Recertifying

IBR Plan Consequences of Not Recertifying

Is an IDR plan right for me?

IDR plans usually lower your federal student loan payments. However, whenever you make lower payments or extend your repayment period, you will likely pay more in interest over time—sometimes significantly more. In addition, under current Internal Revenue Service (IRS) rules, you **might be required to pay income tax on any amount that's discharged** if you still have a remaining balance at the end of your repayment period.

How to Apply

You can apply for an IDR plan online or submit a paper form. Most people complete the online application in 10 minutes or less. If you apply online, you'll be able to select IDR plans for which you're eligible.

Note for if you're manually sending in your IDR application: If you have more than one servicer for the loans that you want to repay under an income-driven plan, you must submit a separate request to each servicer.

How To Report Your Income

What To Do If Your Income Changes While You're On an IDR Plan

What To Expect After You Apply

Want more information about IDR plans? Browse our IDR Plans Questions and Answers.

Additional Links

Apply For or Manage Your Income-Driven Repayment Plan

Who's My Student Loan Servicer?

Standard Plan

Student Loan Consolidation

Public Service Loan Forgiveness