You're Entering Repayment… Now What?

Step 1: Know Who and How Much You Owe

The first step in repaying your student loans is knowing who services your loans and how much you owe. You can find all of your outstanding federal loans by visiting **nslds.ed.gov**. NSLDS—the National Student Loan Data System—tracks your federal loans until they are paid in full, allowing you to see exactly how much you owe and to whom.

Step 2: Select Your Repayment Plan

Once you know who and how much you owe, you can think about how you're going to pay your loans. There are several options available (for a list of repayment plans, see the back). Before you enter repayment, you will have the option to select a repayment plan. If you do not respond to your servicer's notification within 45 days, you will be enrolled automatically in the standard repayment plan. If you wish to change your repayment plan at any time, contact your servicer(s). To calculate your monthly payments under the different repayment options, use a repayment calculator like the ones found at **mygreatlakes.org**, **ibirinfo.org**, and **studentaid.ed.gov**.

Step 3: Stay on Top of Your Loans

Make sure to let your servicer(s) know if your name, address, or telephone number changes. If your circumstances change, set aside time to reassess your student loan payments. If you think you're going to have trouble making your payments, talk to your servicer(s). If you are in school, unemployed, in the military, or meet other eligibility criteria, you may be able to postpone your payments for a period of time by applying for a deferment. During the deferment period, the federal government pays the interest on any subsidized loans you have. For unsubsidized Stafford and Grad PLUS loans, the interest that accrues is your responsibility. If you are not eligible for a deferment, you may be eligible for forbearance. Forbearances are typically allowed at the lender's or servicer's discretion. They temporarily lower or suspend your payments.

Direct Loan Servicers

Great Lakes: 800-236-4300, **mygreatlakes.org**
ACS: 800-508-1378, **ed-servicing.com**
FedLoan Servicing (PHEAA): 800-699-2908, **myfedloan.org**
Nelnet: 888-486-4722, **nelnet.com**
Sallie Mae: 800-722-1300, **salliemae.com**

Step 4: Consider Loan Forgiveness Options

Stafford Loan Forgiveness Program for Teachers

The Teacher Loan Forgiveness Program is intended to encourage individuals to enter and continue in the teaching profession. Under this program, individuals who teach full-time for five consecutive, complete academic years in certain elementary and secondary schools that serve low-income families and meet other qualifications may be eligible for forgiveness of up to a combined total of $17,500 in principal and interest on their Federal Family Education Loan and/or Federal Direct Loan Program loans. For additional information, visit **studentaid.ed.gov**.

Public Service Loan Forgiveness

Public Service Loan Forgiveness is a new program that will forgive any remaining student loan debt after 10 years of payments for people who work in qualifying public service positions. If you have loans in the Federal Family Education Loan Program, you need to consolidate into the Federal Direct Loan Program in order to be eligible for Public Service Loan Forgiveness. Qualifying positions include: military service, public safety, public education, social work, public and school librarians, public defenders, and more.

To be eligible you must have made 120 monthly payments on or after October 1, 2007, on an eligible Federal Direct Loan. You must also be employed in a public service job during the time the qualifying payments are made and at the time the loan is forgiven. For additional information, visit **studentaid.ed.gov**.

Federal Employee Student Loan Program

The federal student loan repayment program permits agencies to repay federal student loans as a recruitment or retention incentive for candidates or current employees of the federal agency. For additional information, visit **opm.gov/oca/pay/StudentLoan**.

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Repayment Plan	Advantages	Considerations	Who This Plan Works For
Standard	The standard plan allows you to pay off your loan within 10 years and have the same payment over the life of the loan. The minimum monthly payment is at least $50 (depending on your loan balance).	You will automatically be placed on the standard repayment plan unless you decide to choose another plan.	This plan is good for someone who has a steady monthly income, can afford the standard payment, and wants to pay the least in interest.
Graduated	The graduated plan allows you to have a smaller monthly payment in the beginning and gradually increase your payment. Some graduated plans increase every two years, but the structure varies among servicers. Your monthly payment won't be less than the interest that accrues.	Even though your payments are low to start with, your loan term is still ten years. Your loan payments will be higher near the end of your term.	This plan may work well for someone who has cash flow problems early on but expects their income will increase steadily over time.
Income-Based	The newest repayment plan offers you reduced monthly payments if you demonstrate a partial financial hardship (based on your loan debt, income, and family size). At the end of 25 years of repayment and 300 payments, any remaining balance may be forgiven.	In order to qualify for income-based repayment (IBR), you need to show that you have a high amount of debt relative to your income. To apply for IBR, you need to submit a signed tax return, IRS consent form, paycheck stubs, or W-2s. You need to reapply for IBR each year. Your payment may be adjusted based on changes in income and family size. Your payment will never be more than the standard 10-year payment amount unless you choose to leave the IBR program.	This plan is good for someone with lower earnings who is looking for an affordable payment based on their income and family size.
Income-Sensitive (For FFELP loans only)	The income-sensitive plan allows your payments to fluctuate with your income over a period of 10 years. Your payments start low and increase as your income increases.	You will need to reapply for this plan each year by providing your current year's income tax return or W-2 statements. Adjustments will be made to reflect your current income. Remember that for each year your monthly payments are reduced, your monthly payments for the remaining years will increase proportionately.	This plan may work well for someone with FFELP loans who wants their payment to fluctuate with their income but still pay their loan off in 10 years.
Income-Contingent (For Federal Direct loans only)	The income-contingent plan bases your monthly payments on your income and family size. You pay the lesser of 1) the amount you would pay if you repaid your loan in 12 years multiplied by an income percentage factor that varies with your annual income, or 2) 20% of your monthly take-home pay—your adjusted gross income minus the poverty level for your state and family size divided by 12.	The maximum repayment term is 25 years. If you haven't fully repaid your loans after 25 years, the unpaid portion may be forgiven. If your payments aren't large enough to cover the interest that has accumulated on your loans, the unpaid amount will be capitalized (added to your principal) each year.	This plan is good for someone with Federal Direct loans who does not qualify for IBR but still wants their payment to fluctuate with their income.
Extended	Extended repayment allows you to stretch your payments out over 25 years, offering you a lower payment over a longer period of time.	To qualify, you must have total outstanding principal and interest exceeding $30,000 in federal loans disbursed on or after October 7, 1998. If you do, you may repay your loans based on a fixed or graduated payment schedule for up to 25 years. Remember that your payments will be lower, but you'll pay more in interest because you're taking longer to repay your loans.	This plan is good for someone with larger loan debt and who needs a lower monthly payment, but does not qualify for IBR.

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