



**Metro Technology Centers**  
Preparing for Life

# **Financial Aid Default Management Plan**

**Metro Technology Centers**  
*“Preparing for Life”*



## **OUR MISSION**

Metro Technology Centers prepares people for successful employment and life in a global society.

## **OUR VISION**

Metro Technology Centers will be recognized as a strategic partner in economic development by preparing a high-quality workforce.

## **OUR COMMITMENT**

Metro Technology Centers provides the highest quality programs and services enabling students to succeed in their chosen career field. (BOARD POLICY BP-1007)

## **OUR CORE VALUES**

- Customer-Focused
- Learning-Centered
- Accountable and Ethical
- Innovative
- Nurturing, Sensitive and Supportive
- Dedicated to Continuous Quality Improvement
- Agile and Flexible

## **OUR CORE COMPETENCIES**

- Holistic Approach to Education
- Career and Technical Training

## **ORGANIZATIONAL GOALS**

- Strengthen Market Position
- Improve Student Performance
- Improve Career Outcomes



## **METRO TECHNOLOGY CENTERS**

**Mission:** Our mission at Metro Technology Centers is to prepare individuals for successful employment and life in a global society. Our vision is that as an institution, we will be recognized as a strategic partner in economic development by preparing a high-quality workforce. In addition, we are customer-focused, learning centered, accountable and ethical, dedicated to continuous quality improvement.

Therefore, it is Metro Technology Centers' objective to help our students attain their career goals and provide them with the resources they need to succeed, by providing the tools and guidance needed to manage their lives and student loan debt.

**Purpose:** The purpose of the Default Management Plan (DMP) at Metro Technology Centers, aka Metro Tech, is to serve both the student borrowers and the institution. Metro Tech views the Default Management Plan not only as a means to remain eligible to participate in Title IV Federal Student Aid programs, but also as a service to our student loan borrowers.

A high cohort default rate can cause Metro Tech to lose eligibility to participate in all Title IV Federal Student Aid programs, including both the Federal Direct loan and Pell programs. To prevent this from happening Metro Tech has developed a Default Management Plan that will assist the borrowers in managing their loan debt by using various techniques and tools offered through the Financial Aid Office at Metro Tech.

Through the DMP, the institution's Financial Aid Office makes applicants aware of their loan status on a continuous basis. Borrowers are encouraged to keep their student loan in "good standing" throughout the life of the loan. It is the goal of Metro Tech to act as a liaison between the borrower and the loan servicer during the repayment period and to prevent the borrower from becoming delinquent or defaulting on their loan obtained through our institution.

***Metro Technology Centers believes in the worth of all individuals and is committed to equal opportunity for each employee, student or any person visiting a District campus. Metro Technology Centers does not discriminate on the basis of race, color, national origin, sex/gender, age, marital or veteran status, religion, pregnancy, or genetic information or disability in recruitment, hiring, placement, assignment to work tasks, hours of employment, levels of responsibility, and pay. For special accommodations, call: 405-595-4418, email jade.carter@metrotech.edu.***



**Terms:** The following abbreviations are used to represent these positions or offices:

- **COD:** Common Origination and Disbursement System
- **FAA:** Financial Aid Assistant
- **FAO:** Financial Aid Officer
- **MTFAO:** Metro Tech Financial Aid Office
- **DMP:** Default Management Plan
- **DMT:** Default Management Team
- **ISIR:** Institutional Student Information Record
- **MPN:** Master Promissory Note
- **NSLDS:** National Student Loan Data System
- **Ascendium Education Solutions, Inc.**

**Contact Information:** Metro Technology Center  
Financial Aid Office  
1900 Springlake Drive  
Oklahoma City, OK, 73111  
405-595-4446  
405-595-4436  
405-595-4457

Kelly.harjo-cox@metrotech.edu

**William D. Ford Federal Direct Loan Program (subsidized and unsubsidized)**



The William D. Ford Direct Loan Program makes low interest loans available to students, (attending at least half-time), to pay their cost of attending post-secondary school. Metro Technology Centers is a participating school in the Federal Direct Loan Program. Eligible students borrow directly from the U.S. Department of Education.

Metro Tech realizes the two parties who have the greatest stake or risk in participating in the Federal Direct Loan program are the student borrower and the school. Therefore, Metro Tech has implemented this Default Management Plan as a mechanism to aid our students during the repayment process to prevent delinquency and a default, which in turn helps keep our cohort default rate within an acceptable range.

## **DEFAULT MANAGEMENT PROCESS**

### **I. Stages of the Default Management Plan**

The Default Management Plan is divided into four stages. The stages are:

- 1) Stage 1 Entrance Counseling
- 2) Stage 2 In-School Period
- 3) Stage 3 Exit Counseling
- 4) Stage 4 Grace Period
- 5) Stage 5 Repayment Period

Copies of letters, notices, or forms are available in the MTFAO or KALMS. Contact the MTFAO at 405-595-4446, 405-595-4436 or 405-595-4457.

### **STAGE I: ENTRANCE COUNSELING**

#### **Entrance Counseling**

In accordance with federal law, Entrance Counseling is required of all Metro Technology Centers' first-time borrowers. We strongly encourage all previous borrowers from other schools to complete Entrance Counseling. Borrowers are to contact the MTFAO with any questions regarding their loan, even if they are no longer in school. *The intention of this personalization is to establish us as partners with our students in the financial aid and default management process, not as a collection agency.*

All Metro Tech first time Direct Loan applicants (who have not received a prior Direct subsidized or unsubsidized loan) must complete Entrance Loan counseling before receiving a first disbursement. These students are directed to access <https://studentloans.gov>.



This session provides the student with complete loan information including loan procedures and borrower rights and responsibilities, repayment, use of the Master Promissory Note, consequences of default, etc. Once the entrance counseling session has been completed, the student is directed to complete the Master Promissory Note (MPN) process.

Computers are available in the Metro Technology Centers' Military and Veterans Welcome Center for students who do not have access to a computer so they may complete the online Entrance Counseling and Master Promissory Note processes.

Loans will be included on an Award Letter sent to all students whose NSLDS history does not reflect any previous defaulted loans or loans that are at or close to the aggregate loan limits. The Award Letter will direct the students to access the entrance counseling website listed above. Metro Technology Centers' first-time borrowers are initially directed to the Entrance Counseling Session, and upon completing that process, are then directed to complete the Master Promissory Note.

The Award Offer instructs the student to print the Entrance Counseling Results and the first three pages of the Master Promissory Note and attach both documents to a signed copy of the Award Letter (which indicates the student has accepted the loans awarded) and submit the documents to the MTFAO. Metro Tech's Financial Aid Staff is available to address any questions or concerns the student may have.

### **Previous Borrowers – Counseling On-Line**

Previous borrowers, who are new students at Metro Tech, are encouraged, but are not required to complete the online Entrance Counseling Process as outlined above.

All borrowers will have to complete another on-line MPN, for the subsequent enrollment period as Metro Tech does not use the Multi-year MPN option. These borrowers are defined as students who have completed their first academic year of the program but still have a remaining portion of the program to complete and are applying for loans for this remaining portion of their programs.

### **Re-Entry Students**

When a re-entry student requests a loan, and has not completed the online Entrance Counseling Session as previously outlined, said student will be required to complete that process.



## **Previous Defaulters**

All previous defaulters must submit an appeal for approval through the Metro Technology Centers' Default Management Team. They are notified of this by a letter.

The Default Management Team consists of several objective Metro Technology Center employees, who do not work in Financial Aid. In the case of previous defaulters, the team will review each situation on a case-by-case basis before approving or denying an individual's participation in the student loan program.

1. The borrower must complete an appeal by completing a "Previous Defaulted Student Loan Appeal Request Form" FA-F-0007 and submit it to the Financial Aid Officer.
2. Each DMT member is notified by the Financial Aid Officer via e-mail; and the appeal information is forwarded to each team member as scanned documents via e-mail. Enrollment, progress and attendance information is submitted with FA-F-0007.
3. Upon review, the DMT member submits his or her vote, via e-mail, to the Financial Aid Officer.
4. Once all votes are received, the applicant is notified, in writing, of the outcome of the decision.
5. If approved, the recipient is notified via an Award Letter that includes a loan award. The recipient completes the online Entrance Counseling and Master Promissory Note processes as outlined on the previous pages.

If the appeal is not approved by the DMT, the student will be notified via email. All decisions are final.

## **STAGE 2: IN-SCHOOL PERIOD**

During the in-school period, the MTFAO will continue to educate all current loan recipients in the following ways:

### **Counseling**

Counseling for continuing students occurs throughout the loan process and for the duration of the student's enrollment. Anytime a student contacts the MTFAO, the student is made aware that the Metro Tech Financial Aid Office staff welcomes the opportunity to answer all student questions regarding financial aid including grants and loans.



## **Delayed Disbursement**

For all students at Metro Technology Centers the estimated date for the first disbursement will be on/or near the 30<sup>th</sup> day of class.

## **Satisfactory Academic Process (SAP)**

All Title IV recipients are expected to adhere to Metro Technology Centers' SAP requirements listed in the Metro Technology Centers Financial Aid Student Consumer, VA and Procedure Guide, FA-M-0003. The first and second loan disbursements are based on the requirements listed in the Student Consumer, VA and Procedure Guide. For the loan origination, first and any subsequent disbursements, the student must maintain an average cumulative attendance rate of 90%, which is required by the Metro Tech Financial Aid Satisfactory Academic Policy.

## **STAGE 3: EXIT COUNSELING PROCESS**

All loan participants who graduate or withdraw from school before completion of the program must complete Exit Counseling. Exit Counseling reinforces each participant's understanding of the borrower's rights and responsibility to repay the debt. Once the student graduates or withdraws from school, there is a six-month grace period allowed before repayment begins.

All students who exit are required to complete Exit Counseling electronically and one on one with a Financial Aid Staff Member.

- 1) Completing Student Loan Exit Interviews, FA-TWI-0013, outlines the process to identify MTC student loan recipients who are graduating or who have exited their programs as completers, course concentrators, transfer to another program, drops or withdraws.
- 2) A letter instructing the student of the process to complete Exit Counseling is e-mailed to the student. Loan Exit Counseling form and other helpful repayment information. Students are informed that prior to completion of their programs, they must complete Exit Loan Counseling. Information concerning student loan balance, repayment, deferment, forbearance, and default is thoroughly covered. Exit counseling is also required of students who complete early or withdraw. Exit counseling can be completed by accessing <https://studentloans.gov>.
- 3) Students are also required to do a One-on-One Exit Counseling with a Financial Aid Staff Member. At the counseling session they will go over the Loan Exit Counseling form. Review NSLDS and discuss repayment options.





- 4) Give the student Repayment and Default Prevention brochures and answer any questions the students may have. In cases such as Aviation and some Health Care Classes a group exit may be completed by a Financial Aid Officer and/or Director through web-cam, by Zoom or at the student's site. All students who do not complete this process will be put on a Financial Aid hold, until the process is completed. Students on a hold will need to see the Financial Aid Office to have the hold lifted.

### **Current Addresses on File**

Students are encouraged to contact the MTFAO and Servicer with any address changes.

### **STAGE 4: GRACE PERIOD**

The Grace Period is based on the last date of attendance, when a student graduates or withdraws from school. The Grace Period is six months.

### **STAGE 5. REPAYMENT PERIOD**

The repayment period is the stage in which students are required to start making monthly payments on their loan. During this period, a partnership between the MTFAO and Ascendum Education provides services to coordinate efforts to get the borrower into satisfactory repayment, subsequently preventing the student borrower from becoming delinquent on their loan or defaulting.

### **DELINQUENCY AND DEFAULT PREVENTION**

#### **Ascendum Education Solutions, Inc.**

Metro Tech partnered with Ascendum Inc. Education Solutions, February 1, 2020 to provide additional grace period and default prevention counseling. Ascendum contacts students during grace or in various stages of delinquency via email and telephone campaigns. Ascendum imports borrower loan information from NSLDS' School Portfolio and Delinquent Borrower Reports and from the loan servicers. Through email and phone calls, Ascendum notifies the student of their delinquency status and offers to assist the student to work with the loan servicer to get back in a current status.



## **Measuring the Effectiveness of Metro Tech's Default Management Plan**

Metro Technology Centers has access to a Dashboard on Ascendium Educations Attigo.com portal. Through reports available on the Dashboard, Metro Technology Centers is able to review key performance indicators for the outreach services provided by Ascendium. These reports allow Metro Technology Centers to monitor:

- Cohort Default Rate trending and risk factors for the active three-year cohort default rate (CDRs) periods
  - Default data as of the prior month which includes borrowers in default and borrowers entering repayment for each cohort.
  - Overall Loan Portfolio Status including percentages of borrowers in repayment, delinquent, defaulted, in a payment suspended status, in grace and in school.
- Grace, Forbearance, Deferment and Delinquent email communication campaigns with detailed information on:
  - Number of emails sent
  - Estimated email open rates
  - Contact information used for each borrower
  - Borrowers Loan Servicer
- Track the success of outreach campaigns by month and aggregate total:
  - Number of borrowers cured/resolved
  - Aggregate outreach numbers

Additionally on an annual basis Ascendium will provide a summary of its outreach activities which will include information on:

- Skip trace searches performed
- Calls placed
- Emails sent
- 1:1 conversations between the borrowers and Repayment Support Team
- Estimated 3 YR CDR for active and open years

## **OTHER SERVICES OFFERED TO BORROWERS**

### **1) Workshops to Assist Borrowers with Debt Management**

During the course of the year, the FAO may invite Consumer Credit Counseling Representatives and Loan Servicers to come to our school to present Financial Literacy Workshops for our students. These workshops may include topics such as personal money management, debt management, and credit awareness skills.



2) **Continued Professional Training for Financial Aid Staff**

Through membership in professional organizations and participation in conferences and training workshops, members of the Metro Tech Financial Aid Office will continue to maintain a high level of professionalism to better service our current customers and those who have exited our school. The staff continues to keep in close contact with the professional staff at Ascendium. Grace, delinquency and default resolution support is also available from Federal Student Aid



School Code 016140  
Metro Technology Centers School District 22  
1900 Springlake Drive  
Oklahoma City OK 73111

Dear Student

A high default rate can cause Metro Technology Centers to be disqualified to participate in all Title IV Federal Student Aid Programs. This includes both the Federal Direct Student Loan and Pell Grant programs. To prevent this from happening Metro Technology Centers has developed and implemented a Default Management Plan.

All students, who previously defaulted on a federal student loan, must submit an appeal for approval before final completion of the Entrance Loan Counseling Session and before a Federal Subsidized and/or Unsubsidized Direct Student Loan Master Promissory Note can be originated for processing.

Your 20/21 Institutional Student Information Record (ISIR) indicates that you previously defaulted on a student loan. Therefore, you are required to complete an appeal, in the form of a completed questionnaire, in regards to your previous default. Access [Previous Loan Default Appeal Form](#) and complete the "Previous Defaulted Student Loan Appeal Request Form". You may use additional pages should you need more room to complete this appeal form in full. You may attach other pages if needed. Upon completion return it to the Financial Aid Office, 1900 Springlake Drive, Oklahoma City, OK, 73111 for processing.

Your appeal statement will be reviewed by our Default Management Team. You will be notified of the results of your appeal in writing, either with a revised Award Letter with loans included or a denial letter.

Please complete and submit the "Previous Defaulted Student Loan Appeal Request Form" within 10 days of starting your program.

Students may call 405-595-4446, if you have questions or need additional information. You can also reach Financial Aid at 405-595-4436 or 405-595-4457.

Sincerely,

Kelly Harjo-Cox  
Financial Aid Officer



**PREVIOUS DEFAULTED STUDENT LOAN**

**APPEAL REQUEST FORM**

*Return completed form to Financial Aid Office,  
1900 Springlake Drive, Oklahoma City, OK 73111*

Name: \_\_\_\_\_

Date: \_\_\_\_\_

1. When did you go into default on your previous student loan? \_\_\_\_\_

2. Why did you go into default? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. What was the total amount of your previous defaulted loan? \_\_\_\_\_

4. How was the loan repaid? \_\_\_\_\_

5. Was the method of the loan repayment voluntary\* \_\_\_\_ or involuntary \_\_\_\_?

6. Describe your educational endeavor at the time you took out the previous student loan. Did you complete the program? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. What are your current educational goals? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. What are your future employment plans? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. How do you expect the repayment of the student loan that you receive for your training at Metro Tech to be different from the repayment of your previous student loan? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Do you have any other information you would like to share regarding your appeal? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*\* "Voluntary" payments are payments made directly by the borrower; and do not include payments obtained by state offsets or federal Treasury offsets, trustee payments, wage garnishment, or income or asset execution.*

For Financial Aid Office Use Only: Appeal Status: Approved\_\_\_\_ Denied\_\_\_\_ Date Student Notified: \_\_\_\_\_



***Metro Technology Centers***

Office of Student Financial Aid  
1900 Springlake Drive  
Oklahoma City, OK 73111  
Phone: 405-595-4446 Fax: 405-424-4010

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**LOAN EXIT COUNSELING**

Complete and submit this form to Metro Technology Centers, Office of Student Financial Aid. Please PRINT clearly.

Student Name: \_\_\_\_\_

Street Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone (home) : \_\_\_\_\_ (Cell): \_\_\_\_\_ Email: \_\_\_\_\_

Direct Loan borrowers at Metro Technology Centers must complete the reference information below. All references must reside within the U.S. Not share the same address, must be over 18 years of age and cannot be another student or instructor. List your nearest relative in Reference #1.

The office of Student Financial Aid may need to contact you regarding a loan issue. In the event that we are unable to contact you at your current address, your references will be contacted to assist us in obtaining your new phone number and address. Your information is confidential and will not be discussed.

**Student Loan Borrower's Work Information**

**Reference #1 (Nearest relative)**

Your employer \_\_\_\_\_

Name \_\_\_\_\_

Business Address \_\_\_\_\_

Street Address \_\_\_\_\_

\_\_\_\_\_

City/State/Zip \_\_\_\_\_

Supervisor's phone number \_\_\_\_\_

Home phone \_\_\_\_\_

Your job title \_\_\_\_\_

Cell phone \_\_\_\_\_

\_\_\_\_\_

Work phone \_\_\_\_\_

\_\_\_\_\_

Relationship to you \_\_\_\_\_

**Reference #2**

**Reference #3**

Name \_\_\_\_\_

Name \_\_\_\_\_

Street Address \_\_\_\_\_

Street Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Home phone \_\_\_\_\_

Home phone \_\_\_\_\_

Cell phone \_\_\_\_\_

Cell phone \_\_\_\_\_

Work phone \_\_\_\_\_

Work phone \_\_\_\_\_

Relationship to you \_\_\_\_\_

Relationship to you \_\_\_\_\_

*I understand that incomplete reference information will prevent or delay the services I am requesting (transcript orders, grade acquisition, registration).*

\_\_\_\_\_  
Student's signature

\_\_\_\_\_  
Date



## **There is no reason to default on your student loans!**

**Having trouble making your student loan payments? Contact Kelly Harjo-Cox at Metro Technology Centers 405-595-4446 or a Repayment Counselor at 800-815-1288. You may also contact your Loan Servicer. Our job is to help you keep your student loans in good standing.**

**There are several things you can do to keep your loan(s) from going into default.**

**You can:**

**Change your repayment plan (Please read the enclosed brochure Repayment Options section to learn more about the different repayment plans and which one would be best for you).**

**Apply for a Forbearance or a Deferment.**

**Look into Consolidation for all of your student loans.**

**Look into Loan Forgiveness (PSLF) if you work in public service at a qualifying nonprofit agency.**

## **Remember we are here to help!**

### **Consequences of default:**

- The entire unpaid balance of your loan and any accrued interest is immediately due and payable.
- You lose eligibility for **deferment**, **forbearance**, and to change your repayment plan.
- You lose eligibility for additional **federal student aid**.
- Your loan account is assigned to a [collection agency](#).
- The loan will be reported as delinquent to credit bureaus, damaging your credit rating. This will affect your ability to buy a house or to get a credit card.
- Your federal and state [taxes may be withheld](#) through a tax offset. This means that the Internal Revenue Service can take your federal tax refund to collect against any of your defaulted student loan debt.
- Your student loan debt will increase due to late fees, additional interest, court costs, collection fees, attorney's fees, and any other costs associated with the collection process.
- Your employer (at the request of the federal government) can withhold money from your pay towards your defaulted student loan. This process is called [wage garnishment](#).
- The **loan holder** can take legal action against you, and you may not be able to purchase or sell assets such as real estate.
- Federal employees face the possibility of having 15% of their [disposable pay offset by their employer](#) toward repayment of their loan through Federal Salary Offset.
- Your Social Security Benefits could be garnished and it could take years to reestablish your credit and recover from default.



**Standard Repayment Plan** – Eligible Loans - Direct Subsidized and Unsubsidized Loans, Subsidized and Unsubsidized Federal Stafford Loans, all PLUS Loans and all Consolidated Loans (Direct or FFEL). Payments are a fixed amount that ensures your loans are paid off within 10 years (within 10–30 years for Consolidation Loans). All borrowers are eligible for this plan. You will usually pay less over time than under other plans. Standard Repayment Plan with a 10-year repayment period is not a good option for those seeking Public Service Loan Forgiveness (PSLF), Standard Repayment Plan for Consolidated Loans is not a qualifying repayment plan for PSLF.

**Graduated Repayment Plan** – Eligible Loans-Direct Subsidized and Unsubsidized Loans, Subsidized and Unsubsidized Federal Stafford Loans, all PLUS Loans and all Consolidation Loans (Direct or FFEL). Payments are lower at first and then increase, usually every two years, and are for an amount that will ensure your loans are paid off within 10 years (within 10–30 years for Consolidate Loans). All borrowers are eligible for this plan. You will pay more over time than under the 10-year Standard Plan. Generally, not a qualifying repayment plan for PSLF.

**Extended Repayment Plan** – Eligible Loans-Direct Subsidized and Unsubsidized Loans, Subsidized and Unsubsidized Federal Stafford Loans, all PLUS Loans and all Consolidated Loans (Direct or FFEL). Payments may be fixed or graduated, and will ensure that your loans are paid off within 25 years. If you are a Direct Loan borrower, you must have more than \$30,000.00 in outstanding Direct Loans. If you are a FFEL borrower you must have more than \$30,000.00 in outstanding FFEL Program loans. Your monthly payments will be lower than under the 10-year Standard Plan or Graduate Repayment Plan. You will pay more over time than under the 10-year Standard Plan. Not a qualifying repayment plan for PSLF.

**Revised Pay AS You Earn Repayment Plan** - (REPAYE) Eligible Loans-Direct Subsidized and Unsubsidized Loans, Direct PLUS Loans made to students and Direct Consolidation Loans that do not include PLUS Loans (Direct or FFEL) made to parents. Your monthly payment will be 10 percent of your discretionary income. Payments are recalculated each year and are based on your updated income and family size. You must update your income and family size each year, even if they have not changed. If you are married, both your and your spouse's income or loan debt will be considered, whether taxes are file jointly or separately (with limited exceptions). Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 years (if all loans were taken out for undergraduate study) or 25 years (if any were taken out for graduate or professional study). Any Direct Loan borrower with an eligible loan type may choose this plan. You will usually pay more over time than under the 10-year Standard Plan. **You may have to pay income tax on any amount that is forgiven.** Good option for those seeking PSLF.

**Pay As You Earn Repayment Plan** - (PAYE) Eligible Loans-Direct Subsidized and Unsubsidized Loans, Direct PLUS Loans made to students and Direct Consolidation Loans that do not include (Direct or FFEL PLUS) loans made to parents. Your monthly payments will be 10% of discretionary income, but never more than you would have paid under the 10-year Standard Repayment Plan. Payments are recalculated each year and are based on your updated income and family size. You must update your income and family size each year, even if they have not changed. If you are married, your spouse's income or loan debt will be considered only if you file a joint tax return. Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 years. You must be a new borrower on or after October 1, 2007, and must have received a disbursement on or after October 1, 2011. You must have a high debt relative to your income. Your monthly payment will never be more than the 10-year Standard Plan amount. You will usually pay more over time than under the 10-year Standard Plan. **You may have to pay income tax on any amount that is forgiven.** Good option for those seeking PSLF.





***Income Based Repayment Plan*** - (IBR) Eligible Loans-Direct Subsidized and Unsubsidized Loans, Subsidized and Unsubsidized Federal Stafford Loans, all PLUS loans made to students and Consolidation Loans (Direct or FFEL) that do not include Direct or FFEL PLUS loans made to parents. Your monthly payments will be either 10 or 15 percent of discretionary income (depending on when you received your first loans), but never more than you would have paid under the 10-year Standard Repayment Plan. Payments are recalculated each year and are based on your updated income and family size. You must update your income and family size each year, even if they have not changed. If you are married, your spouse's income or loan debt will be considered only if you file a joint tax return. Any outstanding balance on your loan will be forgiven if you have not repaid your loan in full after 20 years or 25 years, depending on when you received your first loans. You must have a high debt to debt relative to your income. Your monthly payment will never be more than the 10-year Standard Plan. You will usually pay more than under the 10-year Standard Plan. **You may have to pay income tax on any amount that is forgiven.** Good option for those seeking PSLF.

***Income Contingent Repayment Plan*** – (ICR) Eligible Loans-Direct Subsidized and Unsubsidized Loans, Direct PLUS Loans made to students and Direct Consolidation Loans. Your monthly payments will be the lesser of 20% of discretionary income or the amount you would pay on a repayment plan with a fixed payment over 12 years, adjusted according to your income. Payments are recalculated each year and are based on your updated income, family size and the total amount of your Direct Loans. You must update your income and family size each year, even if they have not changed. If you are married, your spouse's income or loan debt will be considered only if you file a joint tax return or you choose to repay your Direct Loans jointly with your spouse. Any outstanding balance will be forgiven if you haven't repaid your loan in full after 25 years. Any Direct Loan borrower with an eligible loan type may choose this plan. You will usually pay more over time than under the 10-year standard Plan. **You may have to pay income tax on any amount that is forgiven.** Good option for those seeking PSLF. Parent borrowers can access this plan by consolidating their Parent PLUS Loans into a Direct Consolidation Loan.

***Income Sensitive Repayment Plan*** – Eligible Loans-Subsidized and Unsubsidized Federal Stafford Loans, FFEL PLUS Loans and FFEL Consolidation Loans. Your monthly payment is based on annual income, but your loans will be paid in full within 15 years. You will pay more over time than under the 10-year Standard Plan. The formula for determining the monthly payment amount can vary from lender to lender. Available only for FFEL Program loans, which are not eligible for PSLF.

***Consolidate your Loans*** – If you have multiple federal student loans, you can consolidate them into a single Direct Consolidation Loan. This may simplify repayment if you are currently making separate loan payments to different loan holders or servicers, as you will only have one monthly payment to make. There may be tradeoffs, however, so you will want to learn about the advantages and possible disadvantages of loan consolidation before you consolidate.

<https://studentaid.gov/manage-loans/repayment/plans>