PHOENIX – (Sept. 13, 2017) – Repaying student loans is more complicated than ever before. And given that no two borrowers share the exact same incomes, life goals and family situations, it can be difficult to determine which path is best.

“Borrowers have to do a lot of homework upfront to determine which program fits their needs, but there’s work at the backend, too, like income-driven programs that require them to reapply every year,” said Sarah Hamilton, student loan supervisor for Take Charge America, a national nonprofit credit counseling and student loan counseling agency. “Objective advice from a credible third party, like a nonprofit counseling agency, may be critical.”

Hamilton provides federal student loan borrowers a cheat sheet of common repayment programs:

**Standard Repayment:** If you took out federal loans, you’ll automatically be enrolled in the Standard plan, which requires fixed monthly payments over 10 years. If you can afford it, it’s your best option for paying down your loans and saving on interest.

**Income-Based Repayment (IBR):** Monthly payments are determined by your income and family size, and are capped at 10-15 percent of a borrower’s discretionary income. It’s a good option if you’re struggling with Standard payments or have high debt relative to your income.

**Pay As You Earn (PAYE) & Revised Pay As You Earn:** These plans offer two of the lowest monthly payment amounts of all repayment options. Payments are set at 10 percent of discretionary income and may increase or decrease each year based on income, family size, tax filing status and state of residence. Balances are forgiven after 20 or 25 years. Both options require annual recertification, which can impact the monthly payment as well.

**Income-Contingent Repayment (ICR):** Monthly payments are calculated at 20 percent of your discretionary income or the payment amount on a 12-year fixed repayment plan – whichever is lower. It’s easier to qualify for this program since there’s no income eligibility requirement, but ICR payments may end up being higher than the Standard plan.

**Direct Consolidation:** These loans combine multiple federal loans and offer a fixed interest rate based on the weighted average of the interest rates of the loans you’re consolidating, which could save you money and simplify the repayment process. However, it will also extend the repayment terms.

**Graduated Repayment:** With this program, payments start lower and increase over time, and have a 10-year term. It’s a good option if you expect your salary to climb as you progress in your career. Though this plan isn’t usually the best option compared to income-driven programs, it might be the right fit for you – especially if you don’t want the hassle of reapplying for an income-driven plan yearly. You can also consolidate and extend the terms up to 30 years.
**Extended Repayment:** The term of this loan design is extended to 25 years, meaning monthly payments are lower. It’s an attractive option if you can’t afford the payments on the Standard plan – but you’ll pay more in interest over time.

**Public Service Loan Forgiveness:** You may be eligible for this program if you work a full-time public service job with the government, military, public schools or 501(c)3 nonprofits. It can forgive any balances on federal loans after 120 qualifying payments.

Nonprofit student loan counselors can help borrowers determine which repayment option fits best with their lifestyles. Learn more at [studentloans.takechargeamerica.org](http://studentloans.takechargeamerica.org) or call (877) 784-2008.

**About Take Charge America, Inc.**
Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit [www.takechargeamerica.org](http://www.takechargeamerica.org) or call (888) 822-9193.

###