

Federal Loan Repayment Cheat Sheet

Has anyone ever sat down to really go over what repaying your federal student loans entail? There's different option when it comes to repaying your federal student loans and it's important to know which one will be best for you. We've designed a repayment cheat sheet so you have a basic understanding of how federal loan repayment works.



Most Common Repayment Plan Options

1 Standard

This plan is the most common repayment option. It's designed to be the quickest way to repay student loans.

2 Income-Driven

If you cannot afford the standard repayment option, your borrower will see if you're qualified for an income-driven plan. This is based on your income level and family size.

3 Extended

This option is for those who have large balances. To qualify you must have at least \$30,000 in outstanding federal student loan debt.

4 Deferment/Forbearance

This option is temporary and allows you to either stop making federal student loan payments or reduce the amount you pay each month. You must meet certain eligibility requirements in order to use this option.

Expected Monthly Payments



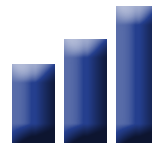
1 Standard

Generally this is a fixed amount, starting as little as \$50 per month.



2 Income-Driven

Normally 10-20% of annual income.



3 Extended

Can either be a fixed amount or gradual, starting lower at first and gradually increasing over time.



4 Deferment/Forbearance

Generally requires little to no payments. During deferment certain loan types do not accrue interest, whereas in forbearance interest accrues.

Expected Repayment Period



1 Standard

10-15 years, however depending on circumstances this period could be longer



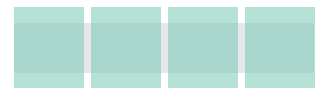
2 Income-Driven

20-25 years



3 Extended

Up to 25 years



4 Deferment/Forbearance

Generally adds on 6 months to a year on the repayment period