

Comparison of Proposals To Reform Income-Driven Repayment

	Department of Education's REPAYE plan	TICAS Proposal	Merkley S. 1002 (116th) Affordable Loans for Any Student Act	King-Burr S. 1176 (115th) Repay Act	Warner-Rubio S. 799 (115th): Dynamic Repayment Act	Zeldin (formerly Polis-Hanna) H.R. 2580 (115th) ExCEL Act	Foxx H.R. 4508 (115th) PROSPER Act	President's FY20 Budget Proposal
IDR Mandatory or Optional?	N/A	Optional (automatically enrolls distressed borrowers)	Optional (automatically enrolls distressed borrowers)	Optional	IDR is default (borrower can opt out)	IDR is default (borrower can opt out)	Optional	Optional (automatically enrolls distressed borrowers)
Income/Debt Requirement for Entry	No	No	No	No	No	No	No	Unknown
Monthly Payment as a Share of Income	10% of discretionary income	10% of discretionary income	10% of discretionary income	10% of discretionary income less than \$25k plus 15% of discretionary income of at least \$25k ("bend point" indexed to inflation)	10% of income (including non-wage income above \$3k) above a flat \$10k exemption (indexed to inflation)	15% of discretionary income (including non-wage income above \$3k)	15% of discretionary income; minimum \$25 monthly payment	12.5% of discretionary income
Repayment Period (after which remaining balance is forgiven)	* 20 years for borrowers with undergraduate debt only * 25 years for borrowers with any graduate debt	20 years	20 years	* 20 years if total balance at start of repayment is equal to or less than \$57.5k (current max undergraduate aggregate borrowing amount) * 25 years if total balance at start of repayment exceeds \$57.5	* 20 years if total balance at start of repayment is less than the max undergraduate aggregate borrowing amount * 30 years if total balance at start of repayment is greater than or equal to undergraduate aggregate max	Full life of loan (no debt forgiveness)	Borrower in repayment for as long as it takes to repay the principle and interest that would be paid under a 10-year standard plan	* 15 years for borrowers with undergraduate debt only * 30 years for borrowers with any graduate debt
Eligibility Exclusions	* Open to all Direct Loan borrowers (FFEL and Perkins borrowers may consolidate to DL to participate) * Parent loans are not eligible	* All federal loan borrowers are eligible * Parent loans are not eligible	All federal loan borrowers, including those with Parent loans, are eligible	* Only new borrowers * Parent loans are not eligible	*Only IDEA loans qualify for plan; pre-existing federal loans must be consolidated into an IDEA loan to participate in IDEA repayment * Parent loans not eligible	* Only IDEA loans qualify for plan; pre-existing federal loans must be consolidated into an IDEA loan to participate in IDEA repayment * Parent loans not eligible	* Only ONE loans qualify for plan; pre-existing federal loans must be consolidated into a ONE loan to participate * Parent loans are not eligible	Unknown
Interest Capitalization While Enrolled in IDR	Interest can capitalize after borrowers exit a deferment or forbearance	No interest capitalization while enrolled in IDR	No interest capitalization while enrolled in IDR	Interest capitalizes when payment exceeds fixed 10-year payment amount	No interest capitalization during grace and repayment periods	No interest capitalization during grace and repayment periods	Interest capitalization if borrower exits plan or chooses to have payments recalculated to equivalent of 10-year standard payment	Unknown
Interest Subsidy While Enrolled in IDR (additional benefits for all borrowers)	* Sub loans: Unpaid accrued interest is 100% covered for up to the first 3 years, then 50% covered afterwards * Unsub loans: Unpaid accrued interest is 50% covered during all periods	* Sub loans: Unpaid accrued interest is 100% covered for up to the first 3 years, then 50% covered afterwards * Unsub loans: unpaid accrued interest is 50% covered during all periods	* Sub loans: Unpaid accrued interest is 100% covered for up to the first 3 years, then 50% covered afterwards * Unsub loans: unpaid accrued interest is 50% covered during all periods	Unpaid accrued interest is 100% covered for all DL for up to the first 3 years	None	Total interest accrued never exceeds 50% of the total amount of the loan	Caps interest payments so that borrowers would be required to repay the equivalent of the principal and interest amount they would have paid under a standard 10-year plan (in addition to interest accrued during any deferments)	Unknown
Targeting	* Removes standard payment cap * Addresses married filing separately	* Removes standard payment cap * Addresses married filing separately * Phases out income exclusion for AGIs above \$100k	* Removes standard payment cap * Addresses married filing separately * Expands income exclusion threshold to 250% of FPL, and phases out exclusion for AGIs above \$120k	* Removes standard payment cap * Addresses married filing separately	* Removes standard payment cap * Does not address married filing separately	* Removes standard payment cap * Addresses married filing separately	* Removes standard payment cap * Addresses married filing separately	* Removes standard payment cap * Addresses married filing separately
Annual Income Recertification (requirements and consequences for missing deadline)	*Borrower must provide verification of income. * If borrower misses annual deadline, borrower moved to alternative repayment plan with remaining debt reamortized, and interest capitalizes. Borrower must recertify to re-enter REPAYE and may be required to make catch-up payments in REPAYE.	Automated via data sharing between ED and IRS	Automated via data sharing between ED and IRS	* Borrower must provide verification of income. * If borrower fails to submit verification, payments do not count toward forgiveness in IDR or PSLF	* Accomplished via paycheck withholding, which borrowers can opt-out of, and establishes annual under- or overpayment reconciliation process leveraging data sharing between Ed and IRS. * Failure to file required tax return may lead to loans being put into default	* Accomplished via paycheck withholding, which borrowers can opt-out of, and establishes annual under- or overpayment reconciliation process leveraging data sharing between Ed and IRS. * Failure to file required tax return may lead to loans being put into default	Borrower must provide verification of income	Automated via data sharing between ED and IRS
Debt Forgiven in IDR Plan Treated as Taxable Income?	Yes	No	Yes	Yes	No	N/A (no debt forgiveness)	Yes	Unknown