

Comparison of Proposals To Reform Income-Driven Repayment

	Department of Education's REPAYE plan	TICAS Proposal	Rubio LOAN Act S. 1292 (116th)	Merkley Affordable Loans for Any Student Act S. 1002 (116th) ¹	President's FY20 Budget Proposal	Foxx PROSPER Act H.R. 4508 (115th)	Zeldin (formerly Polis-Hanna) ExCEL Act H.R. 2580 (115th)	King-Burr Repay Act S. 1176 (115th)	Warner-Rubio Dynamic Repayment Act S. 799 (115th)	House Education & Labor Committee Democrats College Affordability Act H.R. 4674 (116th)
IDR Mandatory or Optional?	N/A	Optional (automatically enrolls distressed borrowers)	IDR is default (borrower can opt out)	Optional (automatically enrolls distressed borrowers)	Optional (automatically enrolls distressed borrowers)	Optional	IDR is default (borrower can opt out)	Optional	IDR is default (borrower can opt out)	Optional (automatically enrolls distressed borrowers)
Income/Debt Requirement for Entry	No	No	No	No	Unknown	No	No	No	No	No
Monthly Payment as a Share of Income	10% of discretionary income	10% of discretionary income	10% of income above a flat \$10k exemption (indexed to inflation)	10% of discretionary income	12.5% of discretionary income	15% of discretionary income; minimum \$25 monthly payment	15% of discretionary income (including non-wage income above \$3k)	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)	10% 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	Grants Secretary authority to determine the appropriate forgiveness timeframe	20 years	* 15 years for borrowers with undergraduate debt only * 30 years for borrowers with any graduate debt	Borrower in repayment for as long as it takes to repay the principal and interest that would be paid under a 10-year standard plan	Full life of loan (no debt forgiveness)	* 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 \$57.5k	* 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	20 years
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	All federal loan borrowers, including those with Parent loans, are eligible	Unknown	* Only ONE loans qualify for plan; pre-existing federal loans must be consolidated into a ONE loan to participate * 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 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	All federal loan borrowers, including those with Parent loans, are eligible
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 (replaces interest for all loans with one-time financing fee)	No interest capitalization while enrolled in IDR	Unknown	Interest capitalization if borrower exits plan or chooses to have payments recalculated to equivalent of 10-year standard payment	No interest capitalization during grace and repayment periods	Interest capitalizes when payment exceeds fixed 10-year payment amount	No interest capitalization during grace and repayment periods	No interest capitalization while enrolled in IDR
Treatment of Interest Accrual While Enrolled in IDR	* Subsidized loans: Unpaid accrued interest is 100% covered for up to the first 3 years, then 50% covered afterwards * Unsubsidized loans: Unpaid accrued interest is 50% covered during all periods	* Subsidized loans: Unpaid accrued interest is 100% covered for up to the first 3 years, then 50% covered afterwards * Unsubsidized loans: Unpaid accrued interest is 50% covered during all periods	Replaces interest for all loans with one-time financing fee (regardless of repayment plan)	* Subsidized loans: Unpaid accrued interest is 100% covered for up to the first 3 years, then 50% covered afterward * Unsubsidized loans: Unpaid accrued interest is 50% covered during all periods	Unknown	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)	Total interest accrued never exceeds 50% of the total amount of the loan	Unpaid accrued interest is 100% covered for all DL for up to the first 3 years	No subsidy	Unpaid accrued interest for subsidized loans is 100% covered for up to the first 3 years
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	Not specified in bill	* 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 * Addresses married filing separately	* Removes standard payment cap * Addresses married filing separately	* 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 * Expands income exclusion threshold to 200% of FPL and phases out exclusion for AGIs above \$80k for single borrowers and \$160k for married borrowers
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 * Failure to file required tax return may lead to loans being put into default	Automated via data sharing between ED and IRS	Automated via data sharing between ED and IRS	Borrower must provide verification of income	* Accomplished via paycheck withholding, which borrowers can opt out of, and establishes annual under- or over-payment 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 * 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 over-payment reconciliation process leveraging data sharing between ED and IRS * Failure to file required tax return may lead to loans being put into default	Automated via data sharing between ED and IRS
Debt Forgiven in IDR Plan Treated as Taxable Income?	Yes	No	Yes	Yes ²	Unknown	Yes	N/A (no debt forgiveness)	Yes	No	No

Notes:
¹ The Affordable Loans for Any Student Act was also introduced in the House by Representative DeLauro (H.R. 2065, 116th). The single IDR plan proposed in the Aim Higher Act (H.R. 6543, 115th) reflects the plan proposed in the Affordable Loans for Any Student Act.
² Senator Merkley introduced a separate bill, the Income-Based Repayment Debt Forgiveness Act (S. 1248, 116th), that removes the taxation of debt forgiven in IDR.