Comparing Income-Driven Repayment Plans

Design Detail	Repayment Assistance Plan (RAP)	2014 IBR ("New" IBR)	Original IBR
Income/Debt Requirement for Entry	None	None	None
Eligibility	Direct Loan student borrowers (FFEL and Perkins borrowers may consolidate to DL to participate); Parent PLUS not eligible	Direct Loan and FFEL student borrowers whose loans originated between July 1, 2014 and July 1, 2026; Parent PLUS eligible if consolidated by July 1, 2026 and enrolled in an income-based plan by July 1, 2028	Direct Loan and FFEL student borrowers whose loans originated before July 1, 2014; Parent PLUS eligible if consolidated before July 1, 2026 and enrolled in an income-based plan by July 1, 2028
Monthly Payment Formula	Calculates a borrower's total annual payment based on a percentage of their *total* adjusted gross income (AGI), ranging from 1-10%, then divides the total annual payment by 12 to calculate the monthly payment, then reduces that amount by $50 per month per dependent child, with a minimum payment of $10 per month for all borrowers	10% of a borrower's *discretionary* income, defined as their AGI above 150% of the federal poverty level (FPL), up to the fixed 10-year payment amount	15% of a borrower's *discretionary* income, defined as their AGI above 150% of the federal poverty level (FPL), up to the fixed 10-year payment amount
Minimum Payment Required?	Yes, $10/month	None	None
Maximum Repayment Period	30 years/360 payments; any remaining balance discharged after 360 payments	20 years/240 payments; any remaining balance discharged after 240 payments	25 years/300 payments; any remaining balance discharged after 300 payments
Treatment of Interest Accrual While Enrolled in IDR	Waives all monthly unpaid accrued interest for the full repayment term (interest that is not fully covered by a borrower's monthly income-based payment)	*Subsidized loans:* Waives all monthly unpaid accrued interest for up to 3 years *Unsubsidized loans:* No interest subsidy	*Subsidized loans:* Waives all monthly unpaid accrued interest for up to 3 years *Unsubsidized loans:* No interest subsidy
Principal Pay-Down?	For borrowers whose monthly payment reduces their principal balance by less than $50, RAP provides a matching principal payment to ensure the borrower's payment goes down by at least $50 per month	None	None
Standard Payment Cap?	No	Yes (a borrower's monthly payment is capped at what their payment would be under the 10-year standard repayment plan)	Yes (a borrower's monthly payment is capped at what their payment would be under the 10-year standard repayment plan)
Treatment of Married Borrowers	Allows borrowers whose tax status is married filing separately to exclude their spouse from both the borrower's household income and family size	Allows borrowers whose tax status is married filing separately to exclude their spouse from both the borrower's household income and family size	Allows borrowers whose tax status is married filing separately to exclude their spouse from both the borrower's household income and family size
Is Discharged Debt Taxed?	Yes, as of January 1, 2026	Yes, as of January 1, 2026	Yes, as of January 1, 2026