

Student loan repayment plans

Moderate · 20 min to do · Free

When federal loans come due, you choose a plan: a fixed monthly payment, or one based on your income. If your loan was paid out on or after July 1, 2026, and you don't choose, your servicer puts you on the Tiered Standard Plan, which may mean a higher payment. Newer loans get one income-driven option, the Repayment Assistance Plan (RAP). Compare with the free calculator on StudentAid.gov first.

YOU'LL NEED

- ☐ Your StudentAid.gov login
- ☐ Your income information, if you want an income-based plan

DO IT LIKE THIS

- 1 **Find your servicer.** Log in to StudentAid.gov and check "My Aid" to see your loans and who services them.
- 2 **Use the six-month grace period.** Your servicer sends repayment information and your first due date during it. That's your window to pick a plan.
- 3 **Compare plans with the Repayment Calculator on StudentAid.gov.** It shows which plans you're eligible for and estimates what you'd pay monthly and overall.
- 4 **Fixed plans base your payment on what you owe, your rate and a set time.** The Tiered Standard Plan, for loans paid out on or after July 1, 2026, pays them off in 10 to 25 years depending on how much you borrowed.
- 5 **Income-driven plans base your payment on your income and family size.** For newer loans, that's RAP: a percentage of your yearly income (usually your adjusted gross income) divided by 12, which can change with dependents or a joint tax return. The lower your income, the less you pay each month.
- 6 **To switch to a fixed plan, contact your servicer.** To apply for an income-driven plan, letting StudentAid.gov get your tax information from the IRS makes it faster.
- 7 **On an income-driven plan, recertify every year, even if nothing changed.** If you agree to share your tax information, it happens automatically and you're told when your payment changes.

Watch out Getting a new loan, including a new consolidation loan, on or after July 1, 2026, ends your eligibility for the older IBR, ICR and PAYE plans. Ask your servicer before you borrow again or consolidate.

DAD NOTE *Pick the plan on purpose. The default is a choice too, just not yours.*

Full lesson: aptkeys.com/money/paying-for-college/student-loan-repayment-plans/

Checked October 2, 2026. Sources: U.S. Department of Education (Federal Student Aid).