

The newest income-driven repayment (IDR) plan — **Saving on a Valuable Education (SAVE) plan** — modifies and replaces the existing **Revised Pay as You Earn (REPAYE) plan** to meaningfully lower monthly payments and overall loan balances for most student loan borrowers. The goal of the new SAVE plan is to better assist low-income borrowers and provide more flexibility toward student debt forgiveness.

	SAVE	REPAYE
Discretionary Income Threshold	225% of Federal poverty level	150% of Federal poverty level
Monthly Payments	Undergraduate: 5% of discretionary income Graduate/Professional: 10% of discretionary income Both types: between 5 and 10% of discretionary income based on a weighted average	All federal loan types: 10% of discretionary income
Years to Forgiveness	Undergraduate: 20 Graduate/Professional: 25	Undergraduate: 20 Graduate/Professional: 25
Forgiveness for Low Debt Borrowers	Forgiveness after 10 years for borrowers with an original principal balance of \$12,000 or less	N/A
Treatment of Unpaid Interest	Eliminated each month	50% of unpaid interest accrues

What follows are examples of different debt and income scenarios and how the SAVE plan compares to REPAYE. All borrowers are unmarried, are the only member of the household, and live in the lower 48 states. An interest rate of 6.6% was applied to both the graduate and prior undergraduate loans.



Borrower 1: "Typical" Law Graduate

- Undergraduate Debt: \$29,000
- Law School Debt: \$126,000
- Annual Income: \$80,000
- Total Loans After Capitalization: \$173,711



TOTAL PAID
\$61,756 LESS (-20.4%)

FORGIVENESS AMOUNT
\$53,798 MORE (+45%)



Borrower 2: Public Institutions/ Small Firm

- Undergraduate Debt: \$27,000
- Law School Debt: \$100,000
- Annual Income: \$85,000
- Total Loans After Capitalization: \$140,702



TOTAL PAID
\$43,908 LESS (-14.5%)

FORGIVENESS AMOUNT
\$62,877 MORE (+388.4%)



Borrower 3: Private Institutions/ Private Practice

- Undergraduate Debt: \$0
- Law School Debt: \$200,000
- Annual Income: \$165,000
- Total Loans After Capitalization: \$230,849



TOTAL PAID
\$20,520 MORE (+4.6%)

FORGIVENESS AMOUNT
\$0 (SAME)