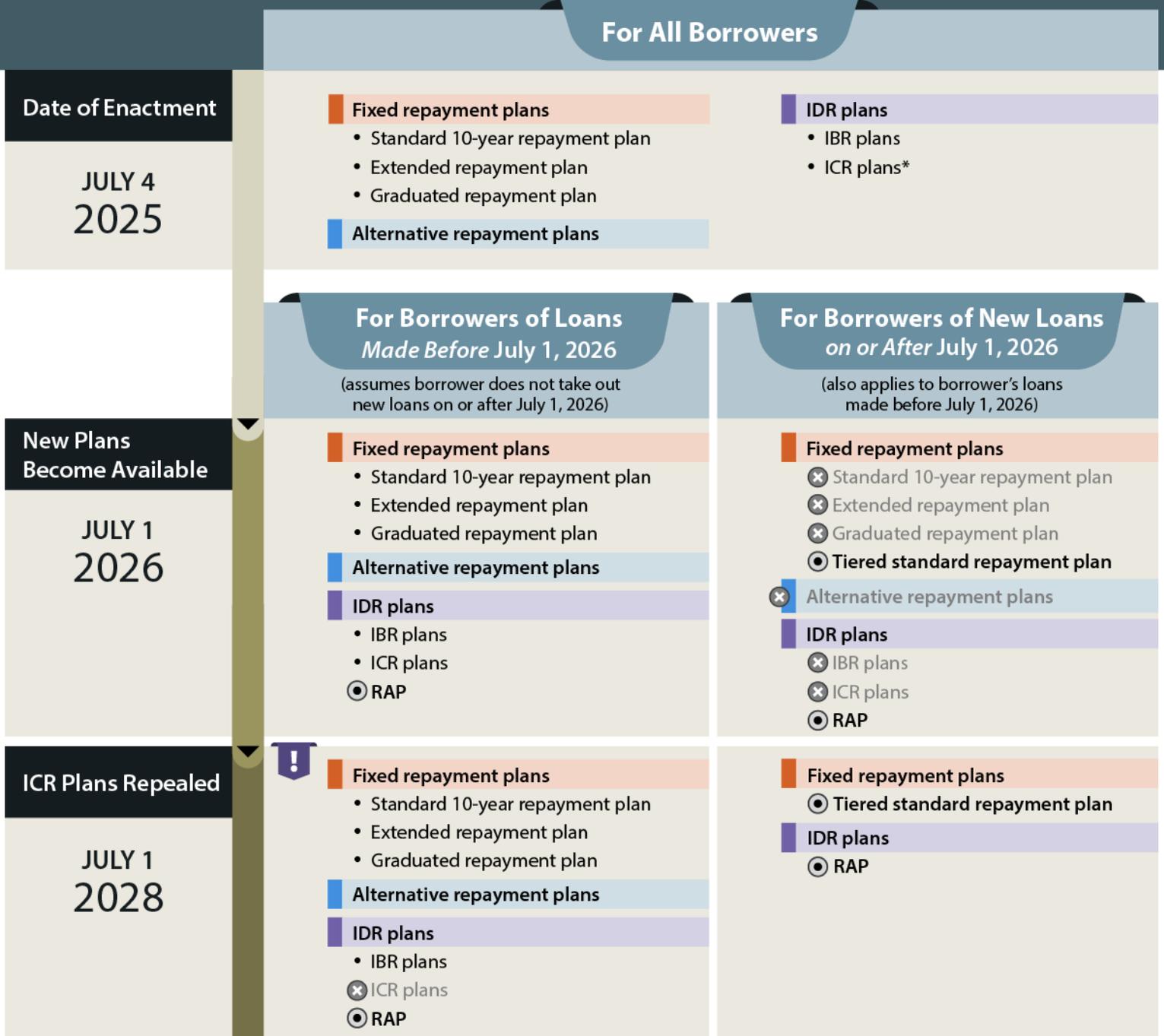


# Available Student Loan Repayment Plans Following the FY2025 Budget Reconciliation Law

**P.L. 119-21**, the FY2025 budget reconciliation law, amends the Higher Education Act to change student loan repayment plan availability under the Direct Loan program. For borrowers of loans made before July 1, 2026, current plans remain available until July 1, 2028, on which date, borrowers in income-contingent repayment (ICR) plans will be transitioned to other available plans. For borrowers of new loans made on or after July 1, 2026, two newly enacted plan options will replace current plans. This infographic presents changes to repayment plan availability from enactment through July 1, 2028.



- Newly enacted repayment plan in P.L. 119-21
- Not available

IBR - Income-based repayment  
ICR - Income-contingent repayment  
IDR - Income-driven repayment  
RAP - Repayment Assistance Plan

\*Consists of the income-contingent repayment, Pay As You Earn, and Saving on a Valuable Education plans

**Transition Out of ICR**

Before July 1, 2028, borrowers enrolled in an ICR plan must select another plan available to borrowers of loans made before July 1, 2026. If they do not make a selection by July 1, 2028, ED will enroll:

- all RAP-eligible loans → RAP
- all non-RAP-eligible loans → IBR

**Newly Enacted Plans in P.L. 119-21**

- Tiered standard repayment plan**
  - Fixed monthly payments so that borrower repays loan over a specified repayment term
  - Repayment term based on outstanding principal balance (10 to 25 years)
- RAP**
  - Monthly payments equal to one-twelfth of 1% to 10% of total income
  - Interest not covered by monthly payment is not charged to borrower
  - Monthly principal reduction of up to \$50 ("matching principal payment")
  - Maximum repayment period of 30 years

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