

U.S. Department of Education

Agency Information Collection: Income Driven Repayment Plan Request for the William D. Ford Federal Direct Loans and Federal Family Education Loan Programs

AGENCY: Department of Education (ED), Federal Student Aid

OMB Control Number: 1845-0102

SUMMARY:

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 3501 *et seq.*), ED is submitting a simple change request to the existing information collection for the following changes outlined in this memo. The Department has assessed the upcoming changes and believe based on previously executed change requests to the information collection that these changes fall under that guise.

Section 6: Borrower Requests, Understanding, Authorization and Certification

- Removed references to the SAVE plan from rejected applications information:

If I no longer qualify for the plan that I am currently enrolled in, my loan holder will place me in a general forbearance and ask me to submit a new IDR application or change to a non-IDR repayment plan. If I am currently enrolled in the SAVE plan and fail to submit a new IDR application, I will remain in forbearance the 10-year Standard Plan or Standard Extended Plan as appropriate.

- Changed "reduced payment" to "general forbearance"

If I am requesting a change from the IBR Plan to a different income-driven repayment plan, I may decline the one- month ~~reduced payment~~ general forbearance described above by contacting my loan holder.

- Edited understanding for requesting the ICR plan:

If I am requesting the ICR plan so that I can then enter the IBR Plan as permitted by the One Big Beautiful Bill Act, I must make one full payment under the ICR Plan before submitting a separate IDR application requesting a change to the IBR Plan. my initial payment amount will be the amount of interest that accrues each month on my loan until my loan holder receives the income documentation needed to calculate my payment amount. If I cannot afford the initial payment amount, I may request a forbearance by contacting my loan holder.

Section 10: Definitions.

- Removed partial financial hardship from definitions that apply to all plans.
- Added a separate definition of partial financial hardship that only applies to the PAYE plan. Previously, the definition included IBR as well. A note has also been added to clarify that all borrowers in repayment under the PAYE Plan must switch or be placed into a different plan before July 1, 2028.

A partial financial hardship is an eligibility requirement for the PAYE plan. You have a partial financial hardship when the annual amount due on all of your eligible loans (and, if you are required to provide documentation of your spouse's income, the annual amount due on your spouse's eligible loans) exceeds what you would pay under PAYE.

The annual amount due is calculated based on the greater of (1) the total amount owed on eligible loans at the time those loans initially entered repayment, or (2) the total amount owed on eligible loans at the time you initially request the PAYE plan. The annual amount due is calculated using a standard repayment plan with a 10-year repayment period, regardless of loan type. When determining whether you have a partial financial hardship for the PAYE plan, the Department will include any FFEL Program loans that you have into account even though those loans are not eligible to be repaid under the PAYE plan, except for: (1) a FFEL Program loan that is in default, (2) a Federal PLUS Loan made to a parent borrower, or (3) a Federal Consolidation Loan that repaid a Federal or Direct PLUS Loan made to a parent borrower.

Note: You cannot remain in the PAYE Plan beyond July 1, 2028. Borrowers who have not selected another plan by that date will be placed in a viable plan before July 1, 2028. Note: All borrowers in repayment under the PAYE Plan must switch to (or be placed into) a different plan before July 1, 2028.

- Updated the definition of eligible loans for the IBR Plan to include direct consolidation loans that had at least one payment made under the ICR Plan at the time of request to enter IBR plan.

Eligible loans for the IBR plan are Direct Loan and FFEL Program loans other than: (1) a loan that is in default, (2) a Direct or Federal PLUS Loan made to a parent borrower, or (3) a Direct or Federal Consolidation Loan that repaid a Direct or Federal PLUS Loan made to a parent borrower unless such Direct Consolidation Loan has at least one payment made is in repayment under the ICR Plan at the time you request to enter the IBR Plan.

- Edited the definitions for the ICR Plan to note that all borrowers in repayment under the ICR Plan must switch or be placed into a different plan before July 1, 2028.

Note: You cannot remain in the ICR Plan beyond July 1, 2028. Borrowers who have not selected another plan by that date will be placed in a viable plan before July 1, 2028. Note: All borrowers in repayment under the ICR Plan must switch to (or be placed into) a different plan before July 1, 2028.

Section 11: Income Driven Repayment Plan requirements and General Information

- Removed references to partial financial hardship from the table for IBR.

The aggregate respondent numbers and burden hours for these updates will remain unchanged under OMB Control Number 1845-0102.