

SECTION 6: INSTRUCTIONS

Type or print using dark ink. If you need help completing this form, contact your loan holder.
Return the completed form and any required documentation to the address shown in Section 9.

SECTION 7: DEFINITIONS

- **Capitalization** is the addition of unpaid interest to the principal balance of your loan. This will increase the principal and the total cost of your loan.
- The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (both subsidized and unsubsidized), Federal Supplemental Loans for Students (SLS), Federal PLUS Loans, and Federal Consolidation Loans.
- **Forbearance** means permitting the temporary cessation of payments, allowing an extension of time for making payments, or temporarily accepting smaller payments than previously scheduled. You are responsible for paying the interest that accrues on your loan(s) during a period of forbearance. If you do not pay the interest that accrues, the interest may be capitalized.
- The **holder** of your FFEL Program loan(s) may be a lender or secondary market.
- **Income-based repayment** is a repayment plan with payments based on income and family size. Features of the IBR plan include:
 - To qualify you must demonstrate you have a **partial financial hardship** which means the annual amount due on all of your eligible loans exceeds 15 percent of the difference between your adjusted gross income (AGI) as shown on your federal income tax return and the poverty line income amount for your family size. The annual amount due is calculated as of the time you initially entered repayment using a standard repayment plan with a 10-year repayment period. Your AGI includes your spouse's income if you are married and you and your spouse file a joint federal income tax return.
 - When you have a partial financial hardship, your monthly payment will not exceed one-twelfth of 15% of the amount your AGI exceeds 150% of the poverty line income amount for your family size.
 - Your payment amount for the IBR plan will be evaluated and established each year. After entry into the IBR plan, you must provide documentation annually if you want a payment based on your partial financial hardship.
 - For any year you do not have a partial financial hardship, your payment will be determined using the balance due at the time you entered IBR based on a new 10-year repayment period.
 - In some circumstances your payment amount may not cover all interest that accrues, and your debt may increase. The federal government will pay unpaid interest on your subsidized Stafford loan(s) for the first 3 consecutive years of your IBR plan repayment period.
 - Accrued interest is capitalized at the time you choose to leave the IBR plan or no longer have a partial financial hardship.
 - If after 300 months of qualifying payments and/or use of economic hardship deferment, your loan(s) is not repaid in full, any remaining debt will be submitted for forgiveness.
- **Initial standard monthly payment** is what your monthly payment would have been under a standard, 10-year payment schedule, based on the outstanding balance when you first entered repayment. In most circumstances you can obtain this amount from the repayment disclosure you received at that time. Otherwise, you may need to contact your loan holder to obtain this information.
- **Loans eligible for the IBR plan** are FFELP loans except a loan that is in default, a Federal PLUS Loan made to a parent borrower, or a Federal Consolidation Loan that repaid a Federal PLUS Loan or Federal Direct PLUS Loan made to a parent borrower.
- **Loans ineligible for the IBR plan** include a FFELP loan in default, a Federal PLUS Loan made to a parent borrower, a Federal Consolidation Loan that repaid a Federal PLUS Loan or Federal Direct PLUS Loan made to a parent borrower, a Federal Perkins Loan, a HEAL loan, and any private education loan.

SECTION 8: HOW TO DETERMINE IF YOU ARE ELIGIBLE

You can visit an IBR plan calculator available at <http://www.mappingyourfuture.org/paying/ibr/calculator.cfm> to enter your debt and income information and receive an evaluation of your eligibility for the IBR plan and an estimate of your IBR plan payment amount. The calculator is for informational purposes only; your loan holder will make the official determination of your eligibility and payment amount based on your application and other required documentation.

SECTION 9: WHERE TO SEND THE COMPLETED INCOME-BASED REPAYMENT APPLICATION

Return the completed IBR application and any required documentation to:

If you need help completing this form, call:

UHEAA
P.O. Box 145110
Salt Lake City, UT 84114-5110

Local (801) 321-7294
Toll-free (877) 336-7378
TDD (801) 321-7130

FAX: (801) 366-8431