Saving on a Valuable Education (SAVE) Plan

What is the SAVE Plan?

The Saving on a Valuable Education (SAVE) Plan is the newest income-driven repayment (IDR) plan. Like other IDR plans, the SAVE Plan calculates your monthly payment amount based on your income and family size. In addition, the SAVE Plan has unique benefits that will lower payments for many borrowers.

The SAVE Plan replaced the Revised Pay As You Earn (REPAYE) Plan. Borrowers on the REPAYE Plan automatically get the benefits of the new SAVE Plan.

Fast Facts

- The SAVE Plan is an IDR plan, so it bases your monthly payment on your income and family size.
- The SAVE Plan lowers payments for almost all people compared to other IDR plans because your payments are based on a smaller portion of your adjusted gross income (AGI).
- The SAVE Plan has an interest benefit: If you make your full monthly payment, but it is not enough to cover the accrued monthly interest, the government covers the rest of the interest that is accrued that month. This means that the SAVE Plan prevents your balance from growing due to unpaid interest.
- More elements of SAVE will go into effect in summer 2024 and will lower payments even more for borrowers with undergraduate loans.

What do I need to know?

The SAVE Plan includes multiple new benefits for borrowers. The changes below went into effect summer 2023. Additional benefits go into effect in July 2024.

Lower payments through increased income exemption

- The SAVE Plan decreases monthly payments by increasing the income exemption from 150% to 225% of the poverty line. This means SAVE can significantly decrease your monthly payment amount compared to other IDR plans.
- Your monthly payment amount is based on your discretionary income—the difference between your adjusted gross income (AGI) and 225% of the U.S. Department of Health and Human Services Poverty Guideline amount for your family size.
- Because your required monthly payment is a percentage of your discretionary income, your payment will be $0 if your discretionary income is $0. For example, 225% of the Poverty Guideline amount for a family size of one (in the 48 contiguous states) is $32,800, which means that if your annual income is equal to or less than $32,800 and your family size is just yourself, your discretionary income is $0 and your monthly

payment will be $0. The same is true for a family size of four with an annual income of $67,500 or less.

Interest benefit stops your balance from growing

- The SAVE Plan eliminates 100% of remaining monthly interest for both subsidized and unsubsidized loans after you make a scheduled payment. This means that if you make your monthly payment, your loan balance won't grow due to unpaid interest that accrued since your last payment.
- For example: If $50 in interest accumulates each month and you have a $30 payment, the remaining $20 would not be charged.

Excludes spouse's income if filing taxes separately

- The SAVE Plan excludes spousal income for borrowers who are married and file taxes separately. Previously on the REPAYE Plan, your spouse's income was included as part of the total income used to determine your monthly payment amount, regardless of your tax filing status. Under the new SAVE Plan, if you file separately, your monthly payment amount will be based on your income only. This change also removes the need for your spouse to co-sign your IDR application, resulting in a simpler application process.

How do I apply?

- Use the IDR application to apply for the SAVE Plan.
- If you were on the REPAYE Plan, you've been automatically enrolled in the SAVE Plan. There is no need to reapply or request to change your plan. Learn how to check which plan you're on.

When do I need to apply for SAVE to see the change reflected in my first bill?

- Borrowers who were enrolled in the REPAYE Plan will see their monthly payments automatically adjusted to the new SAVE Plan before payments restart. Borrowers applying for the SAVE Plan or other IDR plans will see their new payment amount before submitting their application, and it will be displayed on their servicer's website when their first bill is sent. Most borrowers who apply for the SAVE Plan can expect their next payment to reflect their SAVE amount, but borrowers should apply as soon as possible.
- After you apply, check the status of your application by visiting your account Dashboard on StudentAid.gov.
- If you applied for the SAVE Plan close to your bill date or before your required payment due date, your servicer will place you in a forbearance status for the upcoming billing cycle while they process your application so that you do not pay more than you need to. Your servicer will also place you in forbearance if they cannot process your application before these dates.
- You can find the most up-to-date information on your monthly payment amount by logging into your account with your student loan servicer.

What if I'm already on an IDR plan?

- Log in to StudentAid.gov, go to your My Aid page, scroll down, and view your loans. Each loan will list a repayment plan.
- If you are on a different plan, you can now enroll in the SAVE Plan. If you don't have a StudentAid.gov account, you can create an account here.

Which loans are eligible?

Eligible	Eligible if Consolidated into a Direct Consolidation Loan	Ineligible
• Direct Subsidized Loans	• Subsidized Federal Stafford Loans (from the FFEL Program)	• Direct PLUS Loans made to parents
• Direct Unsubsidized Loans	• Unsubsidized Federal Stafford Loans (from the FFEL Program)	• Direct Consolidation Loans that repaid PLUS loans made to parents
• Direct PLUS Loans made to graduate or professional students	• FFEL PLUS Loans made to graduate or professional students	• FFEL Program Loans (some types can become eligible if consolidated)
• Direct Consolidation Loans that did not repay any PLUS loans made to parents	• FFEL Consolidation Loans	• Federal Perkins Loans (can become eligible if consolidated)
	• Federal Perkins Loans	• Any loan that is currently in default

If your loans are in default, you may qualify for the Fresh Start initiative to easily get your loans back in good standing. It's free and takes 10 minutes or less to sign up and enroll in an affordable repayment plan, such as the SAVE Plan, with payments as low as $0 a month.

How much will I pay each month?

- The SAVE Plan calculates your monthly payment based on your income and family size. If you're making $32,800 per year or less (roughly $15 dollars per hour), your monthly payment will be $0, and if you make more than that you'll still save at least $1,000 per year compared to what you would have paid under the REPAYE Plan. You can view the Estimated Monthly Payment Under the SAVE Plan table here.
- Starting in summer 2024, borrowers on the SAVE Plan will have their payments on undergraduate loans cut in half (reduced from 10% to 5% of income above 225% of the

poverty line). Borrowers who have undergraduate and graduate loans will pay a weighted average of between 5% and 10% of their income based on the original principal balances of their loans taken to attend school.

Frequently Asked Questions

You can view a list of frequently asked questions and their answers here.