



Module 3 - Path to Income-Driven Repayment



COURSE INTRODUCTION

We've all heard the phrase, "When life gives you lemons, make lemonade". There are times when life certainly gives us lemons. We often set out to pursue our educational endeavors with every intention of reaching our goals, but sometimes we are faced with unforeseen obstacles that may impede our progress. So, we must pivot, all while keeping the same mindset of reaching our goals.

Whether we pause in our educational journeys, or choose to take a slower pace, success is still in sight, and your student loan repayment obligation remains. **Income-Driven Repayment** is an umbrella term that provides several repayment options, such as:

- Income-Contingent Repayment, **ICR**
- Income-Based Repayment, **IBR**
- Pay As You Earn Income, **PAYE**
- Revised Pay As You Earn, **REPAYE**

Each of these Income-Driven Repayment options offer a lesser monthly payment over a longer period of time, thus making it more manageable for the Borrower.

In Module 3: “Path to Income-Driven Repayment”, Borrowers will begin their path by learning about the various Income-Driven Repayment options using the *Income-Driven Repayment Request* Demo. Borrowers will have an opportunity to assess their understanding of various Income-Driven Repayment options. Borrowers will then apply the knowledge learned to navigate the Income-Driven Repayment application to help determine the best available income driven repayment plan.

To ensure a successful continuation on your *DISB P.A.T.H*, Borrowers are encouraged to commit 60 minutes to focus on completing Module 3: “Path to Income-Driven Repayment”.

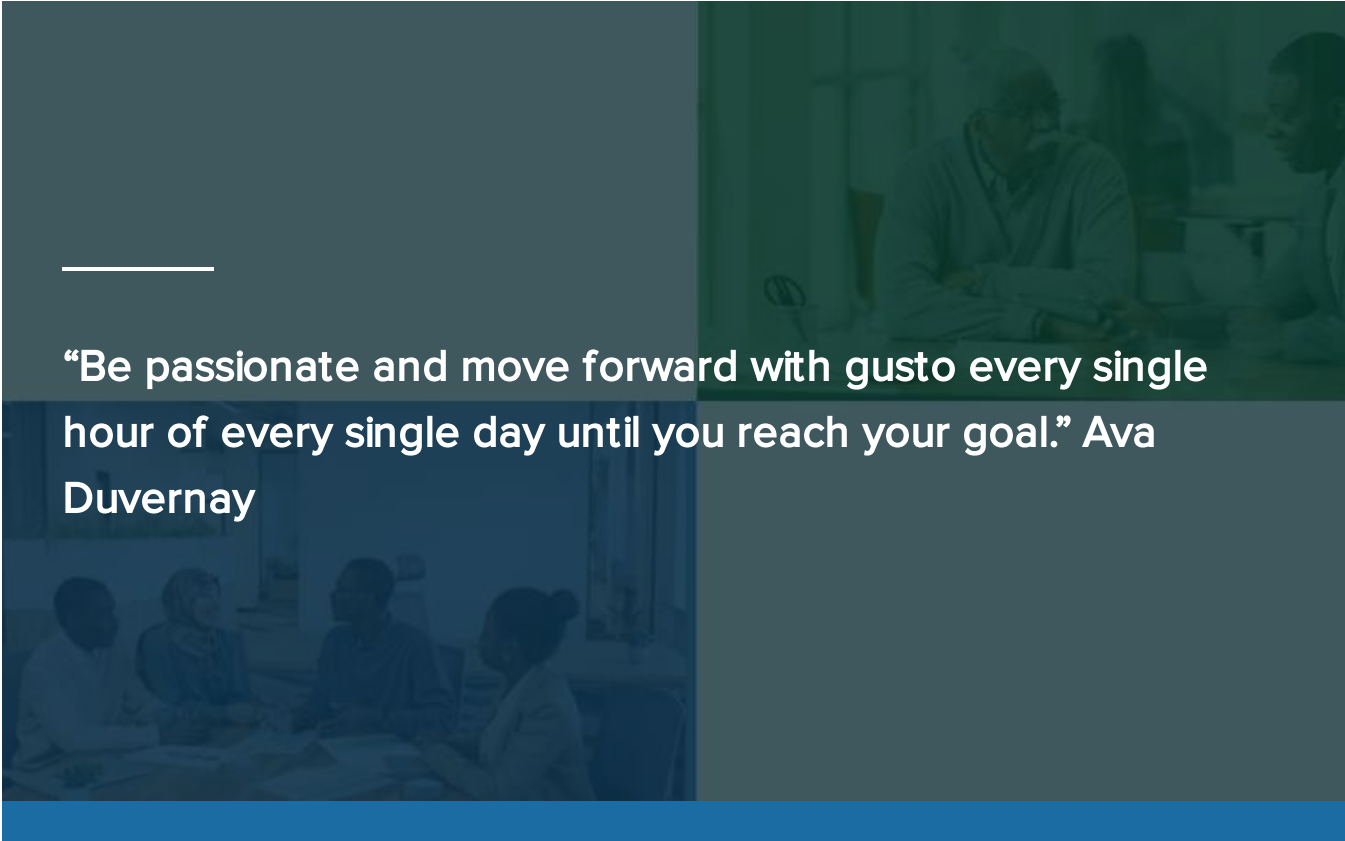
≡ ARRIVE

≡ START YOUR PATH

≡ INCOME-DRIVEN REPAYMENT LITERACY CHECKPOINT

≡ FINAL DESTINATION

ARRIVE



“Be passionate and move forward with gusto every single hour of every single day until you reach your goal.” Ava Duvernay

Start Your Path 1

Welcome

DISB



**PATH TO INCOME
DRIVEN REPAYMENT
START YOUR PATH**

TAKE A MOMENT TO ARRIVE. REVIEW EACH SLIDE
TO LEARN MORE ABOUT THE INCOME DRIVEN
REPAYMENT PATH BEFORE YOU BEGIN.

The graphic features a white background with a light blue mountain range silhouette. On the left, the DISB logo is displayed in blue with horizontal lines above and below. A dark blue, irregularly shaped banner contains the main title and subtitle in white, bold, sans-serif font. Below the banner, a green zigzag line is visible. To the right of the banner is a wooden signpost with five colorful arrows pointing in different directions. Further right is a white-framed photograph of a woman with long braids and glasses, wearing a patterned top, sitting at a desk and working on a laptop. A green scribble is located at the bottom right of the photo frame. The entire graphic is set against a background of white crumpled paper.

Start Your Path 2

Learning Objectives



**PATH TO INCOME
DRIVEN REPAYMENT**

IN THIS MODULE, YOU WILL

- Learn the different types of Income Driven Repayment Plans
- Determine best Income Driven Repayment option using the Federal Student Aid Income Driven Repayment Plan Demo
- Complete the Federal Student Aid Income Driven Repayment Plan application

Essential Questions

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**PATH TO INCOME
DRIVEN REPAYMENT**

QUESTIONS TO CONSIDER

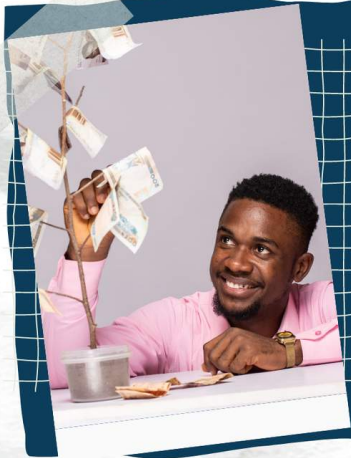
- Are there student loan repayment options to fit my limited monthly budget?
- How do I determine the best income driven repayment option for me?

The graphic includes a woman with curly hair sitting at a laptop, looking thoughtful, with three green question marks above her head. A green dotted line path leads from the text area to the woman, and a blue arrow points from the woman back to the text area.

Start Your Path 4

Affirmation

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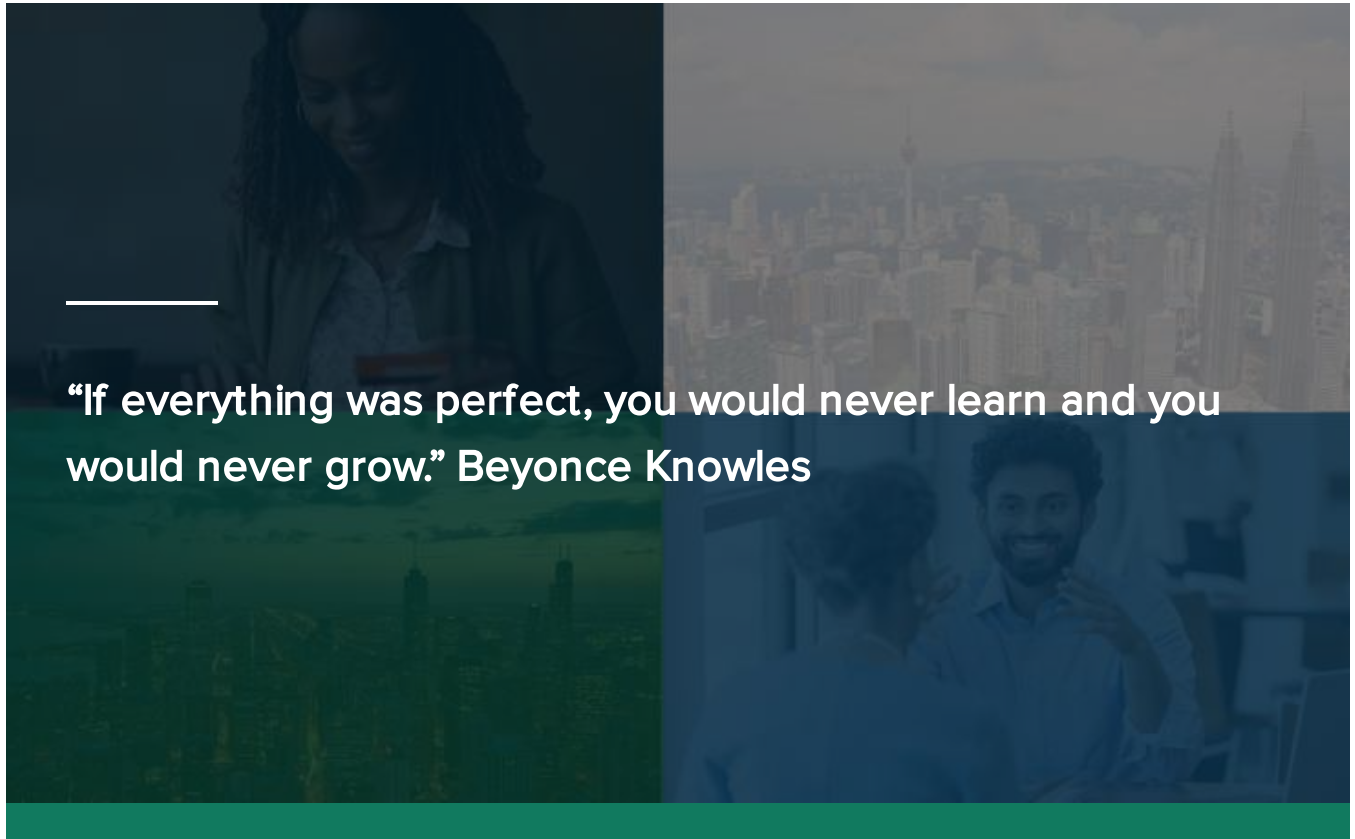


**PATH TO INCOME
DRIVEN REPAYMENT
MONEY MINDSET AFFIRMATION**

**“MY CAPACITY TO GROW AND HOLD
MONEY EXPANDS EVERYDAY.”**



START YOUR PATH



“If everything was perfect, you would never learn and you would never grow.” Beyonce Knowles

Glossary

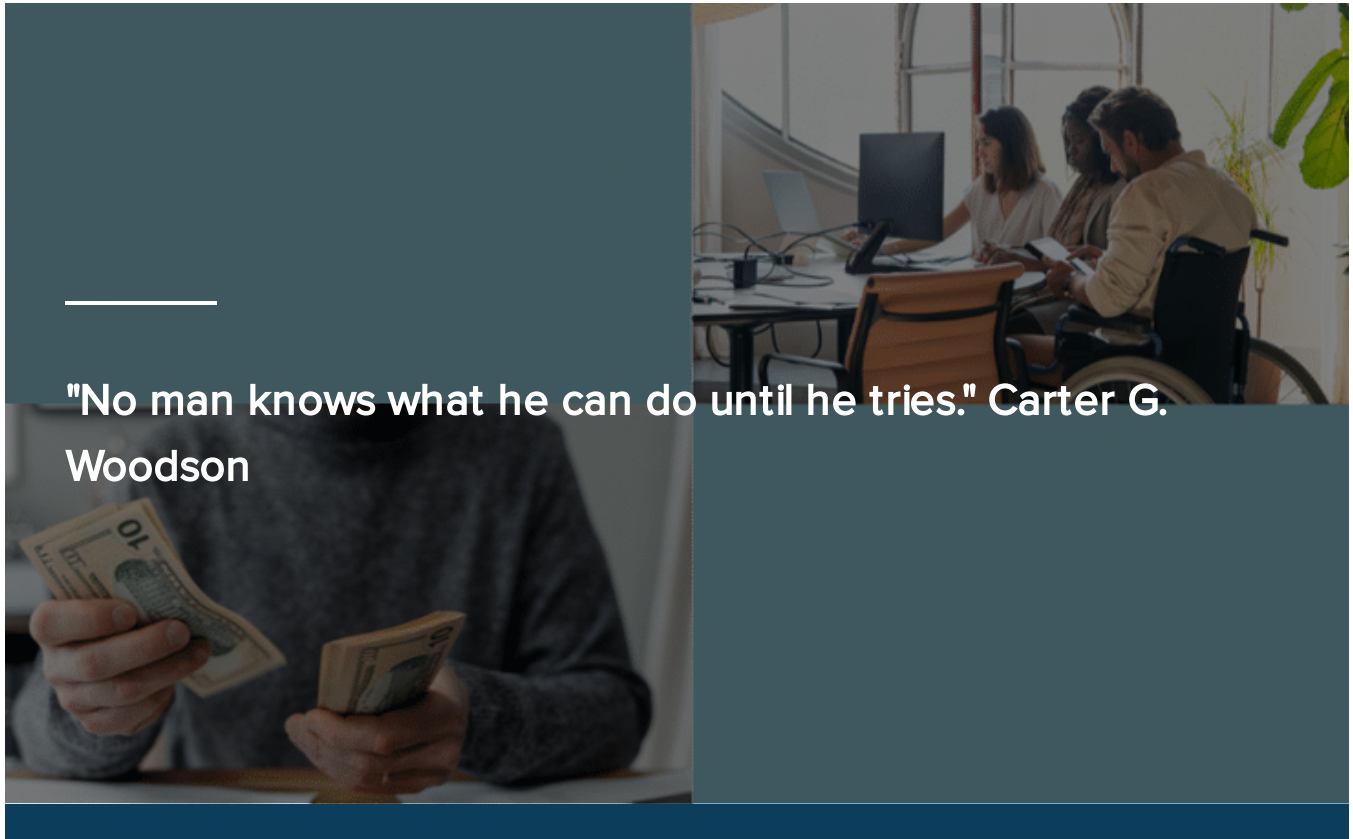
As you navigate your Income-Driven Repayment Path, there are key terms to know. Take a moment to review.

Pay As You Earn PAYE

A repayment plan with monthly payments that are generally equal to 10% of your discretionary income, divided by 12, but never more than the 10-year Standard Repayment amount.

Revised Pay As You Earn REPAYE	A repayment plan with monthly payments that are generally equal to 10% of your discretionary income, divided by 12.
Income-Based Repayment IBR	A repayment plan with monthly payments that are generally equal to 15% (10% if you are a new borrower on or after July 1, 2014) of your discretionary income, divided by 12.
Income-Contingent Repayment (ICR)	A monthly fixed repayment plan that is based on your income and spread over a 12 year period or 20% of your discretionary income divided by 12.

INCOME-DRIVEN REPAYMENT LITERACY CHECKPOINT



Income-Driven Repayment Literacy Checkpoint



Nevaeh enjoys supporting the lead Kindergarten teacher and engaging the class in storytime. She looks forward to the day when she is able to read to her very own classroom of students.

Meet Nevaeh

Nevaeh is an outgoing 28 year old with a boisterous personality that is friendly and welcoming. She boldly speaks her mind yet has a willing spirit to learn from others. She is independent, responsible, caring, and genuine. Since a teen she was raised by her loving and supportive grandmother. She is the mom of an energetic 3 year old.

Throughout highschool, during the summer months, she worked as a camp counselor. She has always enjoyed working with children and wanted to someday become a teacher. Upon graduation, Neveah

worked part-time at a local Child Care Center her daughter attends while attending *District University* with the goal to earn her Early Childhood Degree. Unexpectedly, her grandmother becomes ill resulting in early retirement. Although she is well, she requires more attention and care. With a desire to offer more financial support to her family, Nevaeh decided to take a break from school and work full-time after discovering she had taken enough credits to earn her Associates in Early Childhood Education.

She is hired at *District Elementary* as Kindergarten Paraprofessional with a \$32,000 salary. Her student loans from *District University* totals \$21,000.

The Challenge

Neveah receives notice that her grace period is coming to an end. She is the lead Afterschool Coordinator for the local *District Kids Club* but knows the amount earned from her paraprofessional position and part-time Afterschool Coordinator will simply not be enough to provide and care for her daughter and grandmother.

A colleague at District Elementary shared that **Federal Student Aid** offers income driven repayment options that would consider her monthly income. Although Neveah is considering returning to school to complete her Bachelor's degree to become a classroom teacher, it presently isn't feasible to pursue this educational endeavor. Neveah has reached out to the *DISB P.A.T.H* Center and has been encouraged to complete the *Income-Driven Repayment Plan* Demo to determine the most suitable Income-Driven Repayment option.

Neveah uses the [Federal Student Aid](#) Income-Driven Repayment Demo to help determine the most suitable Income-Driven Repayment plan. Let's follow along as she takes us through the Income-Driven Repayment Demo to explore the process of determining the most suitable income driven repayment option.

Income-Driven Repayment



Income Driven Repayment Literacy Checkpoint.pdf

487.1 KB



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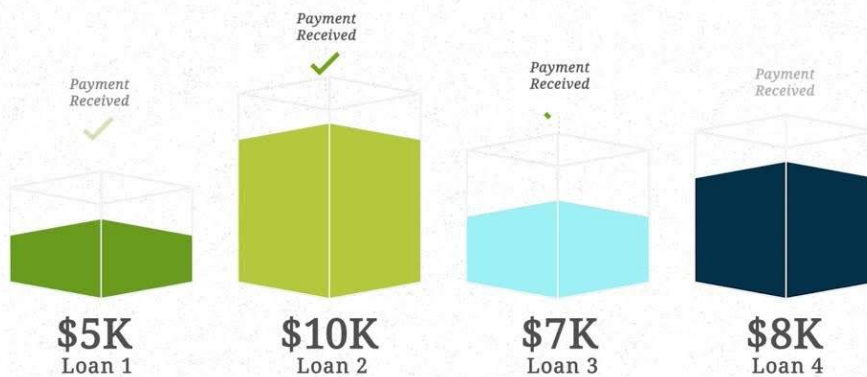
PATH TO INCOME DRIVEN REPAYMENT



Now that you have explored *Income Driven Repayment*, let's put your knowledge to the test. Watch the Federal Student Aid "Student Loan Repayment Options" to review the consolidation process and highlight the benefits. Then answer a few questions to check your understanding.

Click [HERE](#) to watch the video below.

Loan Repayment Strategy



[Understanding how to repay your federal student loans can save you a lot of time and money. There are several repayment plans available, providing the flexibility you need.](#)

Question 1: The Income-Driven Repayment Plan REPAYE_____?

- A. a is a plan that offers the option to revise pay as you earn
- B. is a plan that allows you to pay as you earn
- C. is a plan that allows you to pay based on your income

Question 2: The Income-Driven Repayment Plan IBR_____?

- A. is a plan that offers the option to revise pay as you earn
- B. is a plan that allows you to pay as you earn
- C. is a plan that allows you to pay based on your income

Question 3: The Income-Driven Repayment Plan PAYE_____?

- A. a is a plan that offers the option to revise pay as you earn
- B. is a plan that allows you to pay as you earn
- C. is a plan that allows you to pay based on your income

Question 4: The Income-Driven Repayment Plan ICR_____?

- A. a is a plan that offers the option to revise pay as you earn
- B. is a plan that allows you to pay depending on income
- C. is a plan that allows you to pay based on your income

Question 5: TRUE OR FALSE: Students can recertify each year by updating income and family size.

- A. TRUE
- B. FALSE

Answer keys

Question 1: The Income-Driven Repayment Plan REPAYE_____?

Correct answer: A. is a plan that offers the option to revise pay as you earn

Feedback: You got it! The Income-Driven Repayment Plan REPAYE is a plan that offers the option to revise pay as you earn.

Question 2: The Income-Driven Repayment Plan IBR_____?

Correct answer: C. is a plan that allows you to pay based on your income

Feedback: You got it! The Income-Driven Repayment Plan IBR is a plan that allows you to pay based on your income.

Question 3: The Income-Driven Repayment Plan PAYE_____?

Correct answer: B. is a plan that allows you to pay as you earn

Feedback: You got it! The Income-Driven Repayment Plan PAYE is a plan that allows you to pay as you earn.

Question 4: The Income-Driven Repayment Plan ICR_____?

Correct answer: B. is a plan that allows you to pay depending on income

Feedback: You got it! The Income-Driven Repayment Plan ICR is a plan that allows you to pay depending on income.

Question 5: TRUE OR FALSE: Students can recertify each year by updating income and family size.

Correct answer: A. TRUE

Feedback: You got it! Students can recertify each year by updating income and family size.

Great job for **continuing the path!** The **Student Loan Repayment process** can feel overwhelming. You are on your path to **financial freedom** and that is **worth the extra push** to continue your journey.

Pause to take a **mindfulness moment** to remind yourself **“My capacity to hold and grow money expands everyday.”** When you are ready, **“Continue”** the Path to Loan Repayment.

Application Checkpoint

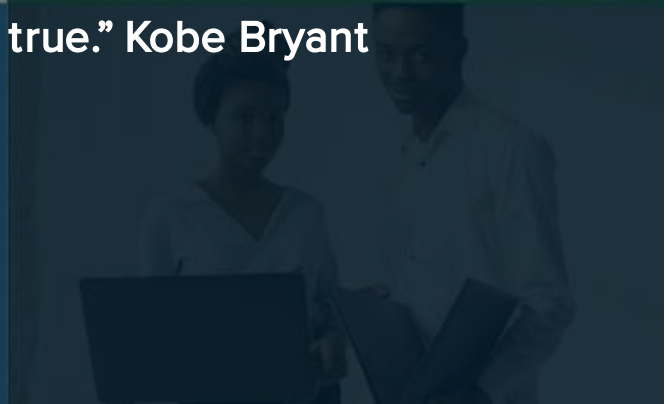
Now that you have explored the Federal Student Aid Income-Driven Repayment and watched the “Student Loan Repayment Options” video, it’s time to apply your knowledge and skills in completing the [Income-](#)

[Driven Repayment Plan.](#)

FINAL DESTINATION



“Dedication sees dreams come true.” Kobe Bryant





DISB P.A.T.H to Resources

With time to navigate the Loan Repayment Course, engage in the *Loan Simulator*, and watch “Loan Repayment Options” video, you have gained a better understanding of the loan repayment options. To extend your learning about student loan repayment options, please browse to learn more.

Student Loan Ombudsman Repayment

To learn more about the **DISB** and how they can extend support, take a moment to view this informational video to learn about the many loan repayment options and support.

INFORMATIONAL VID...

Student Loan Repayment

Do you want to learn more insight about the student loan repayment options as well as what to consider when choosing a loan repayment plan? Visit *Federal Student Aid* for more details.

DIGITAL RESOURCE

DISB Financial Resource Guide

Would having a financial guidebook be useful when you need a reference to help understand student loan repayment options as well as what to consider when choosing a loan repayment plan? Visit *DISB Financial Resource Guide* for more details.



Path to Understanding

Question 1: TRUE OR FALSE: The Standard Repayment Plan is the basic repayment plan for loans from William D. Ford Federal Direct Loan (Direct Loan) Program and Federal Family Education Loan (FFEL) Program.

- A. TRUE
- B. FALSE

Question 2: TRUE OR FALSE: The Graduated Repayment Plan starts with lower payments that increase every three years. Payments are made for up to 10 years (between 10 and 30 years for consolidation loans).

- A. TRUE
- B. FALSE

Question 3: TRUE OR FALSE: The REPAYE Plan is a repayment plan with monthly payments that are generally equal to 10% of your discretionary income, divided by 24.

- A. TRUE
- B. FALSE

Question 4: TRUE OR FALSE: The Income-Based Repayment Plan is a repayment plan with monthly payments that are generally equal to 15% (10% if you are a new borrower on or after July 1, 2014) of your discretionary income, divided by 12.

A. TRUE

B. FALSE

Answer keys

Question 1: TRUE OR FALSE: The Standard Repayment Plan is the basic repayment plan for loans from William D. Ford Federal Direct Loan (Direct Loan) Program and Federal Family Education Loan (FFEL) Program.

Correct answer: A. TRUE

Feedback: You got it! The Standard Repayment Plan is the basic repayment plan.

Question 2: TRUE OR FALSE: The Graduated Repayment Plan starts with lower payments that increase every three years. Payments are made for up to 10 years (between 10 and 30 years for consolidation loans).

Correct answer: A. FALSE

Feedback: You got it! The Graduated Repayment Plan starts with lower payments that increase every two years.

Question 3: TRUE OR FALSE: The REPAYE Plan is a repayment plan with monthly payments that are generally equal to 10% of your discretionary income, divided by 24.

Correct answer: B. FALSE

Feedback: The REPAYE Plan is a repayment plan with monthly payments that are generally equal to 10% of your discretionary income, divided by 12.

Question 4: TRUE OR FALSE: The Income-Based Repayment Plan is a repayment plan with monthly payments that are generally equal to 15% (10% if you are a new borrower on or after July 1, 2014) of your discretionary income, divided by 12.

Correct answer: A. TRUE

Feedback: You got it! The Income-Based Repayment Plan is a repayment plan with monthly payments that are generally equal to 15% (10% if you are a new borrower on or after July 1, 2014) of your discretionary income, divided by 12.

You've Arrived!

**Congratulations! You have completed Module 3 -
Path to Income Driven Repayment of the DISB
P.A.T.H. Loan Repayment Course.**

