



UNIVERSITY of MARYLAND BALTIMORE

Saving on Valuable Education (SAVE) Plan

The Department of Education issued final rulings and announced a new income-driven repayment (IDR) plan for federal student loan borrowers. The new Saving on Valuable Education (SAVE) Plan is a rebranding of the existing REPAYE program and will provide the lowest monthly payments of any IDR plan available to nearly all student borrowers. Below are key plan elements that took effect July 2023, with additional provisions to be implemented July 2024.

- **Higher income protection:** The amount of income protected from payments on the SAVE plan will rise to 225% of the federal poverty guideline (from 150% for PAYE and IBR and 100% for ICR).
- **Elimination of remaining interest for subsidized and unsubsidized loans after a scheduled payment.**
- **Exclusion of spousal income:** Married borrowers who file their taxes separately will no longer have their spouse's income factored into their monthly payment calculation for the SAVE plan.

SAVE Plan FAQs

Q: Which loans are eligible for the SAVE Plan?

A: Federal Direct Loans (Subsidized, Unsubsidized, and PLUS loans made to graduate or professional students) and Direct Consolidation Loans that did not repay any PLUS loans made to parents. Loans under the FFEL program (Subsidized, Unsubsidized, PLUS for graduates/professional students, and Federal Perkins) must be consolidated into a Direct Consolidation Loan to qualify for the SAVE Plan.

Q: What will my monthly payments be under the SAVE Plan?

A: Monthly payments will be calculated using your income and family size. The SAVE Plan will keep a borrower's monthly student loan payments affordable by capping the payment amount at 10% of the borrower's "discretionary" income. Discretionary income is the difference between your Adjusted Gross Income (AGI) and 225% of the [Federal Poverty Level \(FPL\)](#). Borrowers must update their income and family size each year, even if there are no changes.

Single borrowers earning \$32,800 or less or a family of four earning \$67,500 or less would have a monthly payment of \$0 under the SAVE Plan.

Q: How do I apply for the SAVE Plan?

A: Borrowers can apply to be enrolled in the SAVE Plan through the [Federal Student Aid](#) site. Borrowers currently on the REPAYE Plan will be automatically enrolled to benefit from the SAVE Plan.

Q: Is SAVE a qualifying plan for Public Service Loan Forgiveness (PSLF)?

A: Yes, the SAVE Plan is a qualifying plan IDR plan for PSLF.

Q: Who should I contact if I have questions about the SAVE Plan or my monthly payments?

A: For questions on eligibility, applying, or monthly payments, borrowers should contact their loan servicer directly. If you are unsure of who your loan servicer is, you can find this information by logging into your [Federal Student Aid](#) account using your FSA ID.

