

2009 Income-Based Repayment (IBR) Worksheet

Total eligible <i>FEDERAL</i> student loan debt. Include only your FFELP/Direct Stafford, Federal Grad PLUS, and Federal Consolidation Loans	\$	[1]
Estimated monthly loan payment for [1]. Payment should be calculated using the Standard Repayment Plan based on a 10-year repayment period.	\$	[2]
Total annual loan payment due for [1]. Multiply monthly loan payment due [2] by 12 months. [2] * 12	\$	[3]
Household size. Enter the number of people residing in your household.		[4]
Household Adjusted Gross Income (AGI). Include the income of your spouse, if married.	\$	[5]
HHS poverty line for your household size. Refer to Table 1 below to determine the poverty line fro your household size and location of your household and enter that value in [6].	\$	[6]
150% of poverty line for your household size. Multiply the poverty line reported in [6] by 150%. [6] * 1.5	\$	[7]
Household AGI - 150% of poverty line. Calculate the amount of your AGI [5] that is above 150% of the poverty line [7] by subtracting [7] from [5]. [5] - [7]	\$	[8]
15% of AGI above 150% of the poverty line. Multiply the amount of your household AGI that is above 150% of the poverty line for your household [8] by 15%. [8] * 0.15	\$	[9]
Are you eligible for IBR? -- If [9] is less than [3], you are eligible for IBR. -- If [9] is equal to or greater than [3] you are NOT eligible for IBR.	Eligible / Not Eligible (circle one)	[10]
If you are eligible for IBR, as indicated in [10], proceed to the next step [11] to calculate your monthly loan payment amount under IBR. If you are not eligible for IBR, stop here.		
IBR monthly loan payment. If you are eligible for IBR your monthly loan payment is calculated by dividing the result from [9] by 12 months. [9] ÷ 12	\$	[11]

Table 1. HHS Poverty Guidelines for 2009

Household size	48 Contiguous States & D.C.	Alaska	Hawaii
1	\$10,830	\$13,530	\$12,460
2	\$14,570	\$18,210	\$16,760
3	\$18,310	\$22,890	\$21,060
4	\$22,050	\$27,570	\$25,360
5	\$25,790	\$32,250	\$29,660
6	\$29,530	\$36,930	\$33,960
7	\$33,270	\$41,610	\$38,260
8	\$37,010	\$46,290	\$42,560
Fore each additional person add:	\$3,740	\$4,680	\$4,300

IBR is available to both FFEL borrowers and DL borrowers.

Under IBR a borrower's payments are first applied to interest due, then to any loan fees due, and finally toward the principal. **Interest is capitalized when the borrower stops participating in IBR or no longer has partial financial hardship** (Partial financial hardship is defined as loan payments that exceed 15% of the AGI beyond 150% of poverty rate. Perform the calculation in the worksheet above).

After 25 years borrowers may receive loan forgiveness if they've been in the IBR program. The IRS would view that forgiveness as taxable income.