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INDIVIDUAL EDUCATION ACCOUNTS:
DESIGN OF INCOME CONTINGENT
(OR PAY-AS-YOU CAN) PLAN

November 1994

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NOVEMBER 15, 1994

TAB A	Paper on Design of Income Contingent (or Pay-As-You Can) Plan: Department Recommendations for Final Regulation
TAB B	Detailed Goals for Income Contingency by Income Group
TAB C	Summary of Comments by Associations on Income Contingent Repayment
TAB D	Description of NPRM, Recommended Plan and Other Selected Options
TAB E	Summary Analysis of NPRM, Recommended Plan and Other Selected Options
TAB F	Analysis Tables on NPRM, Recommended Plan and Other Selected Options
TAB G	Case Examples on NPRM, Recommended Plan and Other Selected Options
TAB H	Grids on NPRM, Recommended Plan and Other Selected Options
TAB I	Draft Legislative Language on Tax Treatment of Loan Forgiveness

U.S. Department of Education

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INDIVIDUAL EDUCATION ACCOUNTS: DESIGN OF INCOME CONTINGENT REPAYMENT (OR PAY-AS-YOU-CAN) PLAN

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Summary of Department's Recommendation for the Final Regulation

The Administration is designing the specific parameters of the income contingent repayment system through regulations, as required in the Student Loan Reform Act. To make the final regulation more responsive to the Administration's goals and to the comments received on the NPRM, the Department recommends the following changes:

- The Department recommends retaining the current income contingent repayment formula (between 4% and 15% of income per month), but placing an additional cap of 20% on the portion of discretionary income (adjusted gross income minus the poverty level for the appropriate family size) that a borrower would be expected to pay. This change would result in lower payments for the lowest income borrowers.

- Since the Department has been able to find other cost savings, the Department recommends lowering the limit on interest capitalization from 150% to 110% of the original debt and extending this limit to borrowers in alternative repayment. This would limit increases in debt accumulation and protect borrowers from compounding and growing debts.

- The Department recommends including years of repayment under the 10-year standard plan and the 12-year extended plan as years eligible for loan forgiveness under income contingency. This would allow borrowers to count those years of repayment in other plans in which they paid at least as much as they would under income contingency toward the 25 years to forgiveness.

- The Department recommends that it work with the Treasury Department to develop a proposal to eliminate Federal income tax liability on any unpaid loan balance that remains outstanding at the end of the 25-year income contingent repayment period. This would eliminate large payments at year 25 that borrowers might not be able to afford and address concerns that taxation of forgiveness negates much of the benefit received from choosing to repay under income contingency.

- The Department recommends adding a section to the preamble discussing how materials for borrowers will provide borrowers with accurate, clear information to help them decide what repayment approach best suits their personal financial situations.

- The Department recommends changes in the treatment of payments for married borrowers, the level of minimum payments and the calculation of the 12-year amortization schedule.

INDIVIDUAL EDUCATION ACCOUNTS:
DESIGN OF INCOME CONTINGENT REPAYMENT (OR PAY-AS-YOU-CAN) PLAN

November 15, 1994

Under the new Individual Education Account, proposed by President Clinton and enacted by Congress as the William D. Ford Direct Loan program, individuals can borrow money directly from the Federal government to pay for college and can tailor their repayment to best suit their personal financial circumstances. Borrowers will be able to choose among four repayment plans--standard, graduated, extended, and income contingent. In addition, they will be able to switch among plans as their needs change. The income contingent--or pay-as-you-can--plan will give people the chance to start a business, do community service, or meet other family responsibilities by providing to borrowers the opportunity to pay back their loans over time as a percentage of their incomes.

This paper is divided into three parts: goals for income contingency; the current NPRM, the comments received, and Department's recommendations for the final regulation; and analysis of the impacts of the Department's recommendation for the final regulation.

I. Goals for Income Contingency

The Administration is designing the specific parameters of the income contingent repayment system through regulations, as required in the Student Loan Reform Act. The specific goals underlying the regulations are to:

- o Encourage access to postsecondary education and training by reducing the individual's risk if he/she does not have adequate earnings after leaving school.
- o Make low-cost capital available to borrowers to allow pursuit of lower paying public service jobs and entrepreneurial activities.
- o Reduce the incidence of default by providing manageable payments when income is not sufficient to cover debt payments.
- o Provide monthly payment options that require smaller payments than the amount required under standard 10-year repayment in order to provide an attractive option to borrowers at all income levels.
- o Facilitate choice in a student's selection of a postsecondary institution.
- o Recoup loan capital and the cost of capital as much as possible given the other goals.

Tab B provides more information on the goals of income contingency by income group.

II. Current NPRM Proposal, Comments Received, and Department's Recommendation for the Final Regulation

After extended negotiations with the community, the Administration issued regulations laying out the design and specific parameters for the income contingent repayment system for the first year (for borrowers entering repayment between July 1994 and July 1995). These regulations, which were published on July 1, were also published on August 18 as a Notice of Proposed Rulemaking (NPRM) for the subsequent years. This NPRM must be revised and published in final form by December 1 and will apply to borrowers entering repayment after July 1, 1995.

The Department received almost 100 comments recommending changes in the NPRM. These comments emphasized the need for changes in the repayment schedule, capitalization of interest, years to forgiveness, the tax treatment of any loan forgiveness, and borrower materials. By far, the most comments focused on eliminating or lowering substantially the level of capitalization. *Tab C includes a summary of the comments submitted by several major organizations during the NPRM comment period.*

To address the comments received and to make the Administration's income contingent plan more effectively meet the goals discussed in the first section of the paper, the Department analyzed 75 variants of the NPRM proposal and how they would affect different classes of borrowers. Based on these analyses, the Department recommends that a series of changes be incorporated in the final regulation. This part of the paper describes the NPRM proposal, the major comments received, and the Department's recommended responses for each of the major concerns raised by commenters.

Tabs D through H include more detailed data on the effects of the NPRM plan, the recommended plan, and two other alternative plans (Option A and Option B).

- For the recommended plan, the tabs include two different decision rules on how borrowers decide whether to choose income contingent repayment. In one case, borrowers look at the difference between payments under income contingency and graduated repayment--the more that income contingency reduces borrowers' monthly payments, the more likely they are to choose income contingency. The second set of assumptions reflects what would happen if ICL repayers look just like the population of overall borrowers (i.e., a representative cross-section of borrowers).

- Option A looks at the effects of no interest capitalization and Option B examines an option to include a poverty offset instead of a cap on discretionary income. Both options include all other changes recommended by the Department for the final regulation.

Tab D describes the options. Tab E presents the summary analysis on the effects of the options. Tab F includes detailed analysis tables on the distribution of borrowers choosing income contingency, and the costs to the federal government compared with the NPRM. Tab G includes information on how the options would affect different types of borrowers. Tab H includes grids that indicate first-year monthly payments by debt and income level.

Repayment schedule:

- **NPRM:** Borrowers choosing income contingency would have a monthly payment of 4% of adjusted gross income plus 0.2% per $1,000 borrowed, up to a maximum of 15% of income. In addition, borrowers would never be required to repay more on a monthly basis than the amount required under a 12-year fixed payment amortization.

- **Comments:** Several commenters indicated that under the plan in the NPRM, low-income borrowers would be required to make payments that are too large, and higher income borrowers would not be required to make payments that are large enough. One set of comments suggested using other repayment schedules, such as the one proposed by Congressman Petri, which they felt would adjust appropriately for these concerns.

- **Department Recommendation:** The Department recommends retaining the current income contingent repayment formula (between 4% and 15% of income per month), but placing an additional cap of 20% on the portion of discretionary income (adjusted gross income minus the poverty level for the appropriate family size) that a borrower would be expected to pay. This change would require lower payments from the lowest income borrowers. It moves the Department's formula closer to the Petri formula because both would cap payments based on discretionary income.

Capitalization of interest:

- **NPRM:** Unpaid interest would be forgiven on subsidized loans for eligible borrowers who meet the requirements for the economic hardship deferment (borrowers with low-incomes and high debt-to-income ratios), for up to three years. After that, interest would be capitalized up to 150% of the original principal; any unpaid interest beyond that point would accrue but not be capitalized.

- **Comments:** Virtually all people who submitted comments believe that capitalization of interest should be eliminated or substantially reduced to avoid compounding of interest and ballooning repayment obligations, particularly for borrowers with lower incomes.

- **Department Recommendation:** During negotiations on the regulations, the Department stated that it would seriously consider reducing capitalization if it could find savings in another area to pay the costs associated with a lower limit. Since the Department has been able to find other cost savings, the Department recommends lowering the limit on interest capitalization from 150% to 110% of the original debt and extending this limit to borrowers in alternative repayment. This would limit increases in debt accumulation and protect the neediest borrowers from compounding and growing debts.

Years to forgiveness:

- **NPRM:** Only years of repayment in income contingency would be applied to the 25 years of forgiveness in order to prevent switching among plans in ways that would allow borrowers who could repay over time to avoid doing so.

- **Comments:** Several people requested that the Department count years that a borrower makes payments under the standard and extended repayment plans toward the 25 years to forgiveness under the income contingent repayment plan.

- **Department Recommendation:** The Department recommends including years of repayment under the 10-year standard plan and the 12-year extended plan as years eligible for loan forgiveness under income contingency. This would allow borrowers to count those years of repayment in other plans in which they paid at least as much as they would under income contingency toward the 25 years to forgiveness.

Tax liability of loan forgiveness:

- **NPRM:** Under current tax law, any loan principal or interest forgiven at 25 years would be considered taxable income.

- **Comments:** Many people who commented asked the Administration to propose legislation to eliminate the taxation of loan forgiveness so that borrowers with lower incomes would not face a large payment at year 25, one that they might well not be able to afford. They argued that taxing loan forgiveness would negate much of the benefit that borrowers would receive from choosing to repay under income contingency. Moreover, loan forgiveness is allowed in the Perkins loan program.

- **Department Recommendation:** The Department stated in negotiations that it would work with other federal agencies and Congress to make loan forgiveness not subject to federal income taxes. The Department recommends that the Administration develop a proposal and work with Congress to eliminate Federal income tax liability on any unpaid loan balance that remains outstanding at the end of the 25-year income contingent repayment period. *(Tab I includes draft statutory language prepared by OGC that would make this change.)* Eliminating this tax liability would increase the benefit received by borrowers who repay for 25 years but do not repay enough to fully pay back all principal and interest.

Borrower information:

- **NPRM:** The regulation does not include anything on borrower information because providing such information does not require regulation.

- **Comments:** Many commenters requested that the Department provide clear, consistent materials to borrowers that describe the repayment plans and the consequences of making smaller payments in terms of additional interest costs over time.

- **Department Recommendation:** Throughout the negotiations, the Department promised that the materials for borrowers explaining the repayment options would be clear, would be easy to read, and would lay out carefully both the annual and cumulative costs of each repayment option. The Department stated that borrowers with accurate, clear information were best qualified to decide what repayment approach best suited their personal financial situations. The Department recommends adding a section to the preamble discussing how materials for borrowers will address these concerns. All materials developed by the Department must reflect well these concerns of the community.

Other provisions:

The Department also recommends adopting a number of other revisions suggested by commenters, including the treatment of payments for married borrowers, changes in minimum payments, and the calculation of the 12-year amortization schedule.

- For married borrowers who both pay under income contingency, the Department recommends applying payments to interest first on each loan and then to principal.

- The Department recommends lowering the amount below which no payment would be required from $25 (as in the NPRM) to $15. Moreover, when borrowers in income contingency choose the lower of the formula or the 12-year repayment amount, they would have a $15 minimum payment; in the NPRM there was no minimum for borrowers choosing this option.

- The 12-year amortization schedule would be recalculated when any unpaid interest is added to the principal.

III. Impacts of the Department's Recommendation for the Final Regulation

This section of the paper examines the impact of the Department's recommendation for the final regulation on borrowers and on the federal budget.

Effects on borrowers:

Under the recommended plan the Department estimates that approximately the same number of borrowers--18%--would choose income contingency as in the NPRM plan. Compared with the NPRM proposal, the recommended plan:

- Provides additional public subsidies to all borrowers, increasing the federal subsidy rate for income contingent borrowers from 9% to 10%. The average number of years in repayment declines by six months to an average of 14 years in repayment (see Tab E).

- Reduces significantly the overall likelihood a borrower will fail to repay fully in 25 years (16.7 vs 11.6%), especially among low- and medium-income borrowers. For example, the percent of low-income, low-debt borrowers who fail to fully repay declines from 37.9% to 25.9%. For medium-income, medium-debt borrowers, the percent falls from 8.0% to 3.6%.

- Reduces the outstanding loan balances for those who fail to repay in 25 years.

- With debts of $5,000, single borrowers with incomes below $10,000 will repay less each month under the recommended plan. With one child, a borrower with a debt of $5,000 and an income up to almost $15,000 will pay less on a monthly basis (see the grids in Tab H).

- With debts of $50,000, single borrowers will repay less each month under the recommended plan if their incomes are below $25,000. With one child, the same borrower will pay less if his or her income is below almost $35,000. For example, the first-year monthly payment for a single borrower with an annual income of $10,000 and an initial debt of $50,000 will drop from $115 to $44.

- A borrower with a moderately high debt ($20,000) whose income is low for five years (starting at $10,000 a year) and then rises to a more typical income will pay less under the recommended plan than under the NPRM proposal--$37,000 compared with $46,000--and will pay for fewer years--17 years compared with 22 years (see

Tab G). This borrower benefits from both the 20 percent cap on discretionary income and the reduction in capitalization of interest.

- o A borrower with a high debt ($50,000) whose income is low for five years and then rises to a higher salary ($40,000) will benefit in similar ways to the example above. He or she will repay for 19 years under the recommended plan compared with 24 years under the NPRM; he or she will repay $93,000 rather than $127,000.

Option A, no capitalization of interest, increases the federal subsidy rate further, to 11.5%, and reduces the percent who do not fully repay in 25 years to 9.8%. This change results in proportionately greater increases in subsidies to higher income borrowers.

Option B, a poverty level offset, rather than a cap on discretionary income, raises the federal subsidy rate to 13.0%. It also increases subsidies more for higher income borrowers than for the lowest income borrowers. The percent who do not fully repay increases to 18.9%.

Effects on the Federal budget:

The recommended plan increases program costs by $625 million over the next five years compared with the NPRM proposal. However, the plan accomplishes a number of desired policy goals that justify the additional expense. These costs can be financed through savings that will result from more borrowers choosing to consolidate as a result of changes recommended to the NPRM. The Department estimates that the extent of loan consolidation, that is, current guaranteed loan borrowers who convert to Direct Loans, will generate sufficient savings to offset the additional cost of the recommended plan.

To test the sensitivity of these estimates to assumptions on how borrowers would decide whether to repay under income contingency, the Department also analyzed this plan using illustrative assumptions that a representative cross-section of borrowers would select the ICL repayment plan. Under this assumption, the recommended plan would cost the same as the NPRM plan. Given the range of cost estimates under two different estimating assumptions and expected consolidation assumptions, the Department is comfortable that it can afford the recommended changes.

Option A and Option B would increase federal costs considerably more than the recommended plan. For example, lowering capitalization to 100%--that is, having no capitalization--would cost $1.5 billion more than the NPRM plan over five years. Having an offset to income equal to the poverty line rather than a discretionary income cap of 20% would cost $2.4 billion more than the NPRM plan over the next five years. The additional benefits to borrowers at all income levels, particularly higher income borrowers, do not merit the substantial increase in federal costs.

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GOALS FOR THE DIRECT LOAN ICR PLAN

SHARED GOALS FOR ALL BORROWERS:

To make low-cost capital available to borrowers to allow pursuit of lower-paying public service-type jobs.

To encourage access to postsecondary education and training by reducing the risk if education does not produce adequate earnings (i.e., shift risk to taxpayer).

To facilitate choice in a student's selection of postsecondary school.

To provide monthly payment options less than the amount under Standard Repayment.

To encourage responsible borrowing given statutory loan limits and need analysis rules.

To recoup loan capital and the cost of loan capital as much as possible, given the other goals.

SPECIFIC GOALS FOR THE LOW-INCOME BORROWER:

To decrease the likelihood of default by providing a monthly payment amount that allows enough discretionary income for subsistence.

To recognize cost/benefit constraints of collecting monthly payments on a scheduled basis of less than $15 (i.e., establish a $15 floor rather than the $25 floor in current formula).

SPECIFIC GOALS FOR THE MIDDLE-INCOME BORROWER:

To decrease the likelihood of default by providing an ensured discretionary level of income after required monthly loan payment.

To lessen the risk of fluctuating income given a fixed level of debt.

SPECIFIC GOALS FOR THE HIGH-INCOME BORROWER:

To decrease the likelihood of default by providing an ensured discretionary level of income after required monthly loan payment.

To lessen the risk of fluctuating income given a fixed level of debt.

To provide access to high-cost education with high pay-off.

To minimize the probability that a loan will not be repaid fully within 25 years.

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SUMMARY OF COMMENTS ON INCOME CONTINGENT REPAYMENT

American Council on Education (on behalf of 10 associations):

- **Capitalization of Interest** -- should be eliminated.
- **Rate of Repayment** -- Borrowers in the lowest income ranges are required to pay too much, and borrowers in higher income ranges are required to pay too little.
- **Tax Liability of Loan Forgiveness** -- The Administration should push for favorable tax treatment of loan forgiveness sooner rather than later.
- **Information to Borrowers** -- ACE would like to work with us to develop materials for borrowers.

National Association of Independent Colleges and Universities and Association of American Universities:

- **Tax Liability of Loan Forgiveness** -- see above.
- **Capitalization of Interest** -- should be eliminated or reduced.
- **Rate of Repayment** -- Replace the 12-year cap with a 10-year cap.
- **Information to borrowers** -- With increased options for repayment, the need for superior consumer information becomes increasingly important and must be provided on an ongoing basis for the entire life of the loan.

American Association of State Colleges and Universities and United States Student Association:

- **Repayment Rate** -- Lower-income borrowers are required to pay too much; and virtually everyone else is not required to pay enough. Reduce the repayment rate to 3% plus 0.3% for each $1,000 of debt.
- **Adjustment for Income** -- The repayment rate should be progressive on income as well as debt.
- **Cap on Repayment** -- Replace the 12-year cap with an 8-year cap.
- **Low income** -- Reduce the amount that low-income borrowers pay by:
    - Establishing a variable percentage of income cap; or
    - Phasing out the $25 minimum repayment amount slowly.

- **Treatment of Married Borrowers** -- Require payment of interest on both spouses' accounts before crediting payments to principal.

- **Years to Forgiveness** -- Years in the standard, 12-year extended, and alternative repayment plans should be counted towards years to forgiveness.

- **Capitalization** -- Should be decreased to 110% or lower.

- **Tax Treatment of Loan Forgiveness** -- see above.

- **Alternative Repayment** -- should be defined more clearly, and should be subject to loan forgiveness provisions of the income contingent repayment plan.

- **IDEA proposal** -- The Department should reexamine the income contingent repayment formula in the IDEA proposal proposed by Senator Simon and Representative Petri.

Career College Association:

- **Design plan for lower income not middle income borrowers** -- The Department should not try to design an income contingent repayment option that is attractive to all borrowers. Instead, the Department should design the income contingent repayment plan for lower income borrowers.

- **Repayment rate** -- The current formula requires payments that are too high for low income borrowers and too low for higher income borrowers.

- **Minimum payment** -- The minimum payment amount should be phased in rather than set at $25.

- **Capitalization** -- The amount of capitalization of interest should be lowered.

- **Taxation of loan forgiveness** -- The Administration must make this a legislative priority.

- **Default** -- The Secretary should specify the conditions under which borrowers will be placed in the income contingent repayment plan as an alternative to default.

National Consumer Law Center, Inc.:

- **Low-income borrowers** -- Borrowers with low-incomes will continue to default under this plan. This problem could be fixed with an income threshold or by phasing out the $25 minimum repayment.

- **Time to Forgiveness** -- Time spent in standard or 20-year extended repayment plans should be counted towards forgiveness.

- **Tax Consequences of Forgiveness** -- see above.

The National Association for Public Interest Law (also received similar comments from individual law schools and law students):

- **Capitalization of Interest** -- should be eliminated.

- **Number of Years to Forgiveness** -- should be shortened.

Advisory Committee on Student Financial Assistance:

- **Borrower Materials** -- that characterize the benefits and impacts of the different repayment plans should be developed.

- **Servicer Notification** -- The Direct Loan servicer should notify borrowers at least once a year of the implications of switching repayment plans.

National Association of Student Financial Aid Administrators:

- **Borrower Information** -- Clear, consistent information must be available on a national basis to students and financial aid administrators.

- **ACE's comments** -- They support ACE's comments on ICL.

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Description of the NPRM, Recommended Plan, and Other Selected Options

This paper describes the basic elements of several income-contingent repayment (ICR) formulas. Included are descriptions of the formulas: (a) published as a Notice of Proposed Rulemaking (NPRM) on August 18, (b) recommended by the Department for publication as the Final Rule on December 1, and (c) considered as possible alternative options.

Current NPRM

- The probability of individual participation in the ICR plan is based on a comparison of first-year monthly payments required under the ICR and graduated repayment plans. The likelihood of choosing ICR increases as the relative savings increases, that is, as the payment gap between the ICR and graduated plans widens. Selection is based on individual earnings in the first year of repayment and no repayment plan switching is assumed.

- Individual ICR payment amounts are determined by one of two options. Payments under Option 1 are calculated using the ICR formula; payments under Option 2 are the lesser of the formula payment or the payment based on a fixed-payment, 12-year amortization schedule. Borrowers were randomly assigned across the two options, with 25 percent in Option 1 and 75 percent in Option 2. Assigning one-fourth of borrowers to Option 1 even when that amount is higher than the Option 2 payment cap provides a proxy for those who will accelerate their repayments or prepay their loans in full.

- Under Option 2, the 12-year amortization payment is calculated based on the balance when the borrower enters repayment. Thus, the Option 2 payment amounts do not change as the outstanding balance increases (due to negative amortization) or decreases.

- Both Options 1 and 2 cap payments at 15 percent of income. The income assessment or payback rate is 4 percent for the first \$1,000 of debt and increases at the rate of 0.2 percent for each additional \$1,000 borrowed.

- The monthly payment obligation calculated under Option 1 is reduced by \$7 for each non-spouse dependent. The maximum deduction for dependents is \$35 per month. This deduction is not provided under Option 2.

- When payments calculated under Option 1 fall below \$25, no payment is required. Payments based on the 12-year amortization schedule are required at all debt and income levels.

- Interest on all loans is accrued and capitalized until the balance equals 150 percent of the borrower's original repayment balance. After that point, interest is accrued, but not capitalized.

Recommended Plan

- The probability of individual ICR participation is as described for the current NPRM.

- Stop interest capitalization when the outstanding balance equals 110 percent of the borrower's original repayment balance. After that point, interest accrues but is not capitalized.

- Establish a maximum payment amount equal to 20 percent of discretionary family income for all borrowers. (Discretionary income is defined as adjusted gross income minus the poverty level appropriate to family size. If there are two borrowers in the family, the income and poverty amounts are pro-rated to reflect the ratio of individual to family debt. In this fashion, one family always receives one poverty offset.)

- Retain the current maximum payment rate of 15 percent of adjusted gross income.

- Eliminate the $7 monthly payment deduction for each non-spouse dependent for borrowers paying the income-contingent formula amount (Option 1).

- Reduce the monthly payment floor from $25 to $15 for payments calculated under Option 1. That is, if a payment calculated under the ICR formula is less than $15, no payment would be required.

- Require a $15 minimum payment for borrowers whose payments are based on the Option 2, 12-year amortization schedule. That is, borrowers whose payments fall below $15 per month would pay $15. This change affects small-debt (less than $1,500) borrowers.

- Change the basis for determining the maximum payment amount for the 12-year amortization payment cap under Option 2. This new approach involves two steps:
  - Calculate the 12-year amortization payment amount based on the beginning repayment balance.
  - After each period of negative amortization, recalculate the 12-year amortization schedule to reflect the new, higher balance. Replace the Option 2 payment cap with the recalculated payment amount if it exceeds the existing payment cap.

- Attribute ICR payments made by two-debt married couples first to cover the interest due before paying either loan principal.

Recommended Plan with Alternative Estimating Assumptions

- The probability of individual participation in the ICR plan reflects the composition of the general Direct Loan population. In other words, assume a representative cross-section of all borrowers will choose to participate in the ICR plan.

- This option retains all of the formula elements from the "Recommended" income-contingent repayment plan.

Option A

- Accrue all unpaid interest due. In other words, no unpaid interest is capitalized. In the context of the NPRM and Recommended plans, this would stop interest capitalization when the outstanding balance equals 100 percent of the borrower's original repayment balance.

- The probability of individual participation in the ICR plan is as described for the current NPRM.

- Option A retains all other elements from the "Recommended" income-contingent repayment plan.

Option B

- Assess income above the poverty level appropriate to family size. In other words, all borrowers would receive the benefit of an income exclusion when their ICR payments are calculated. This would replace the 20 percent of discretionary income limit on the ICR payment amount.

- The probability of individual participation in the ICR plan is as described for the current NPRM.

- Option B retains all other elements from the "Recommended" income-contingent repayment plan.

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The following table displays information for all borrower categories for the income contingent formulas in the August 18 NPRM, ED's recommended plan (with both with the standard and alternative estimating assumptions), and two alternatives. ED's recommended plan strikes a reasonable balance between average length of repayment (14.0 years), cost (a one percentage point increase from 9.1% to 10.1% in the subsidy rate), and the likelihood a borrower will fail to repay fully within 25 years (11.6%, reduced from 16.7%). Although a few more borrowers experience negative amortization (52.6%, up from 50.2%), their average number of years in negative amortization is slightly less, reflecting the lower cap (110% from 150%) on interest capitalization.

Table 1: All Borrower Categories

	Choose	Average	Avg. 5-yr	Not Paid in Full		Negative Amortization		Loan Principal Repaid by Borrowers with Loans	
Income Contingent Repayment Plan	ICR	Term	Subsidy	Borrowers	Debt	Borrowers	Avg. Years	Forgiven	Fully Paid
NPRM	17.9%	14.6	9.1%	16.7%	3.8%	50.2%	6.5	185.4%	167.4%
Recommended	18.0%	14.0	10.1%	11.6%	1.8%	52.6%	6.3	164.4%	166.7%
Rec./Alt. Estimating Assumptions	18.0%	12.5	9.1%	8.1%	1.4%	36.7%	6.1	155.0%	160.1%
Option A	18.0%	13.8	11.5%	9.8%	1.5%	52.6%	6.0	147.4%	163.2%
Option B	21.1%	16.0	13.0%	18.9%	3.1%	72.3%	7.3	165.4%	178.3%

Identical information is provided for each of the seven borrower income/debt categories. Borrower income is the average income over the first 10 years in repayment, and debt reflects the total Federal student loan debt at the time repayment begins. (Tables 2 through 8)

Table 2: Low Income/Low Debt

	Choose	Average	Avg. 5-yr	Not Paid in Full		Negative Amortization		Loan Principal Repaid by Borrowers with Loans	
Income Contingent Repayment Plan	ICR	Term	Subsidy	Borrowers	Debt	Borrowers	Avg. Years	Forgiven	Fully Paid
NPRM	20.5%	17.3	10.2%	37.9%	9.6%	72.2%	8.1	171.2%	164.3%
Recommended	21.1%	16.9	11.6%	25.9%	3.8%	78.0%	9.2	155.6%	172.1%
Rec./Alt. Estimating Assumptions	18.0%	15.9	10.3%	21.3%	3.8%	69.2%	8.5	141.2%	166.2%
Option A	21.1%	16.6	13.1%	23.4%	3.2%	78.0%	9.0	144.5%	166.1%
Option B	23.6%	18.8	14.1%	33.7%	6.0%	89.8%	10.0	145.0%	184.3%

Table 3: Low Income/Medium and High Debt

Income Contingent Repayment Plan	Choose ICR	Average Term	Avg. 5-yr Subsidy	Not Paid in Full		Negative Amortization		Loan Principal Repaid by Borrowers with Loans	
				Borrowers	Debt	Borrowers	Avg. Years	Forgiven	Fully Paid
NPRM	25.9%	18.8	8.4%	30.9%	7.2%	79.0%	7.8	180.3%	187.6%
Recommended	26.3%	18.1	9.0%	26.0%	4.4%	83.8%	8.1	154.4%	183.6%
Rec./Alt. Estimating Assumptions	18.0%	18.4	7.9%	27.2%	5.0%	80.8%	8.5	149.1%	183.9%
Option A	26.3%	17.8	10.1%	21.9%	3.6%	83.8%	7.8	136.7%	177.0%
Option B	30.3%	21.1	10.3%	40.8%	7.9%	97.5%	10.9	148.7%	204.1%

Table 4: Medium Income/Low Debt

Income Contingent Repayment Plan	Choose ICR	Average Term	Avg. 5-yr Subsidy	Not Paid in Full		Negative Amortization		Loan Principal Repaid by Borrowers with Loans	
				Borrowers	Debt	Borrowers	Avg. Years	Forgiven	Fully Paid
NPRM	14.5%	11.3	10.3%	11.9%	2.3%	32.7%	4.9	200.3%	150.6%
Recommended	13.6%	9.6	11.9%	0.8%	0.0%	24.9%	2.9	178.9%	149.2%
Rec./Alt. Estimating Assumptions	18.0%	9.5	10.3%	1.3%	0.1%	18.7%	2.8	157.1%	147.9%
Option A	13.6%	9.5	13.7%	0.8%	0.0%	24.9%	2.9	178.9%	147.2%
Option B	16.7%	10.7	15.6%	3.5%	0.2%	44.8%	3.2	226.5%	155.0%

Table 5: Medium Income/Medium Debt

Income Contingent Repayment Plan	Choose ICR	Average Term	Avg. 5-yr Subsidy	Not Paid in Full		Negative Amortization		Loan Principal Repaid by Borrowers with Loans	
				Borrowers	Debt	Borrowers	Avg. Years	Forgiven	Fully Paid
NPRM	15.2%	12.6	9.3%	8.0%	1.7%	34.8%	5.0	197.7%	161.6%
Recommended	15.4%	11.9	10.6%	3.6%	0.5%	37.1%	3.8	181.7%	161.2%
Rec./Alt. Estimating Assumptions	18.0%	11.0	9.4%	2.6%	0.3%	25.4%	3.3	193.7%	156.5%
Option A	15.4%	11.7	12.1%	2.4%	0.4%	37.1%	3.3	144.0%	159.0%
Option B	18.8%	13.8	13.9%	8.5%	0.8%	64.1%	4.3	210.3%	172.0%

Table 6: Medium Income/High Debt

Income Contingent Repayment Plan	Choose ICR	Average Term	Avg. 5-yr Subsidy	Not Paid in Full		Negative Amortization		Loan Principal Repaid by Borrowers with Loans	
				Borrowers	Debt	Borrowers	Avg. Years	Forgiven	Fully Paid
NPRM	24.9%	15.3	9.0%	10.9%	1.7%	55.4%	4.8	214.5%	175.3%
Recommended	24.9%	14.8	10.2%	7.7%	0.9%	56.6%	4.3	205.7%	174.1%
Rec./Alt. Estimating Assumptions	18.0%	13.6	9.2%	4.7%	0.5%	45.5%	3.5	198.7%	169.0%
Option A	24.9%	14.4	11.6%	6.1%	0.7%	56.6%	3.9	187.9%	170.2%
Option B	29.5%	17.4	13.4%	15.3%	1.9%	83.7%	5.7	196.8%	192.5%

Table 7: High Income/Low and Medium Debt

Income Contingent Repayment Plan	Choose ICR	Average Term	Avg. 5-yr Subsidy	Not Paid in Full		Negative Amortization		Loan Principal Repaid by Borrowers with Loans	
				Borrowers	Debt	Borrowers	Avg. Years	Forgiven	Fully Paid
NPRM	12.8%	10.7	9.1%	4.8%	1.3%	17.0%	6.8	182.6%	154.3%
Recommended	12.7%	10.3	10.4%	2.9%	0.2%	20.3%	3.7	203.8%	153.3%
Rec./Alt. Estimating Assumptions	18.0%	9.6	9.3%	1.4%	0.2%	9.0%	4.4	157.4%	149.5%
Option A	12.7%	10.2	11.9%	2.4%	0.2%	20.3%	3.4	195.4%	151.7%
Option B	13.5%	11.1	13.7%	4.4%	0.7%	32.1%	4.6	160.1%	157.2%

Table 8: High Income/High Debt

Income Contingent Repayment Plan	Choose ICR	Average Term	Avg. 5-yr Subsidy	Not Paid in Full		Negative Amortization		Loan Principal Repaid by Borrowers with Loans	
				Borrowers	Debt	Borrowers	Avg. Years	Forgiven	Fully Paid
NPRM	11.9%	12.0	9.2%	4.6%	0.7%	33.1%	3.8	179.4%	161.8%
Recommended	11.9%	11.6	10.4%	3.5%	0.6%	33.1%	3.6	143.7%	159.3%
Rec./Alt. Estimating Assumptions	18.0%	11.0	9.1%	2.0%	0.3%	17.8%	4.0	147.1%	156.8%
Option A	11.9%	11.3	11.9%	3.5%	0.6%	33.1%	3.2	143.7%	156.2%
Option B	15.5%	13.3	13.8%	10.1%	0.8%	55.5%	3.8	219.7%	166.4%

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COST ESTIMATION ASSUMPTIONS

The Department's analysis of alternative income-contingent repayment (ICR) formulas employed models to estimate program costs and distributional effects. The construction of these models required a set of basic assumptions to describe fully the out-of-school borrower population and to consider appropriately events such as the likelihood an individual borrower would choose the income-contingent option. This paper briefly describes the ICR models and basic assumptions.

ICR program cost estimates are generated from two interrelated models. The first is a microsimulation model based on a representative longitudinal sample of over 5,000 student loan borrowers. The sample contains data on borrowing, default, spouse's debt, income, marriage, and family size. Data on income, marriage, and family size are projected for 40 years using a statistical technique called hazard analysis which preserves the individual variation in the data. ICR payments are computed for each sample observation according to the formula being considered and then aggregated. The aggregated flows are then input into a second model which calculates costs and subsidy rates according to OMB guidelines.

The probability of ICR selection for borrowers whose ICR repayment amount is based on their income is determined by comparing payments under the ICR and Graduated repayment plans. ICR selection becomes more likely as the savings from choosing ICR in the first year of repayment increases. Borrowers whose ICR payments are based on a 12-year repayment schedule are assumed to choose ICR at random. At the present time, movement into or out of ICR is not modeled.

ICR payments are based on two options. Payments under Option 1 are calculated using the ICR formula based on income; payments under Option 2 are the lesser of the Option 1 amount and payments based on a 12-year amortization schedule. Borrowers were randomly assigned across the two options, with 25 percent assumed to choose Option 1 and 75 percent Option 2.

Borrowers were assumed to default in ICR--fail to make required payments--only if they defaulted on their existing loans for non-financial reasons. Borrowers defaulting for financial reasons were assumed to make required payments, if any, under ICR.

Borrowers with subsidized loans were assumed to take hardship deferments whenever they were eligible to receive them. The maximum repayment period under ICR was extended one year for every year of deferment up to a maximum repayment period of 28 years.

For analysis purposes, borrowers were divided into categories based on average household income in the first 10 years of repayment and cumulative Federal debt upon entering repayment. All debts and incomes were inflated to represent borrowers leaving school in 1995. For both income and debt, low was defined as the bottom 25 percent of the distribution, medium between 25 percent and 75 percent, and high over 75 percent. Thus, the "cut-points are:

Low income: under $26,939
Medium income: $26,939 to $62,729
High income: over $62,979

Low debt: under $3,075
Medium debt: $3,075 to $14,310
High debt: over $14,310

Income-Contingent Repayment - Current NPRM

	Income/ Debt Group	Percent of all Borrowers	Percent of all ICR Borrowers	Percent Within Group Taking ICR	Average Years in Repayment	Average Subsidy Rate Over 5 Years	Not Paid in Full: Percent of Borrowers	Not Paid in Full: Percent of Debt	Negative Amortization: Percent of Borrowers Affected	Negative Amortization: Average Years for Affected Borrowers	Percentage of Principal Repaid: Loans Forgiven	Percentage of Principal Repaid: Loans Paid in Full
Low Income	**Group 1** Low Debt	9.5%	10.8%	20.5%	17.3	10.2%	37.9%	9.6%	72.2%	8.1	171.2%	164.3%
	Group 2 Medium-High Debt	15.6	22.5	25.9	18.8	8.4	30.9	7.2	79.0	7.8	180.3	187.6
Medium Income	**Group 3** Low Debt	11.2	9.1	14.5	11.3	10.3	11.9	2.3	32.7	4.9	200 3	150.6
	Group 4 Medium Debt	25.2	21.3	15.2	12.6	9.3	8.0	1.7	34.8	5.0	197.7	161.6
	Group 5 High Debt	13.6	18.9	24.9	15.3	9.0	10.9	1.7	55.4	4.8	214.5	175 3
High Income	**Group 6** Low-Medium Debt	17.5	12.5	12.8	10.7	9.1	4.8	1.3	17.0	6.8	182.6	154.3
	Group 7 High Debt	7.5	5.0	11.9	12.0	9.2	4.6	0.7	33.1	3.8	179.4	161.8
	Total	100.0%	100.0%	17.9%	14.6	9.1%	16.7%	3.8%	50.2%	6.5	185.4%	167.4%

- o Probability of ICR selection is based on a comparison of payments under the ICR and Graduated repayment plans. ICR selection becomes more likely as savings under ICR increase.
- o ICR payments are based on two options. Payments under Option 1 are calculated using the ICR formula; payments under Option 2 are the lesser of the formula payment or the payment based on a 12-year amortization schedule. Borrowers were randomly assigned across the two options, with 25% in Option 1 and 75% in Option 2.
- o Under Option 2, the 12-year amortization payment is calculated based on the balance when the borrower enters repayment.
- o Both options cap payments at 15% of income. Income is assessed at 4% plus an additional 0.2% for each $1,000 of debt
- o Borrowers paying the Income Contingent Formula amount may deduct $7 from their monthly payment for each dependent child, up to a maximum deduction of $35 per month.
- o When payments calculated under the ICR formula fall below $25, no payment is required. Payments based on the 12-year amortization schedule are required at all levels.
- o Interest on all loans is accrued and capitalized until the balance equals 150% of the borrower's original repayment balance. After that point, interest is accrued, but not capitalized.
- o For income and debt categories, low represents the bottom 25% of the total population; medium, the middle 50%, and high the top 25%.

  Incomes reflect average income over the first 10 years in repayment. Low income equals $0-$26,938. Medium Income = $26,939-$62,729. High Income = Over $62,729.
  Debt reflects total Federal education debt. Low Debt = $0-$3,075 Medium Debt = $3,076-$14,310 High Debt = Over $14,310

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	5-Year Total
Subsidy Rate	9.87%	7.19%	7.09%	9.24%	11.30%	9.09%
Subsidy Cost (in Millions)	$442	$781	$923	$1,429	$2,061	$5,636
Change from Current NPRM (in Millions)	$0	$0	$0	$0	$0	$0

Note: Details may not add to totals due to rounding.

14-Nov-94
Office of the Under Secretary

Income-Contingent Repayment - Recommended Plan

	Income/ Debt Group	Percent of all Borrowers	Percent of all ICR Borrowers	Percent Within Group Taking ICR	Average Years in Repayment	Average Subsidy Rate Over 5 Years	Not Paid in Full: Percent of Borrowers	Not Paid in Full: Percent of Debt	Negative Amortization: Percent of Borrowers Affected	Negative Amortization: Average Years for Affected Borrowers	Percentage of Principal Repaid: Loans Forgiven	Percentage of Principal Repaid: Loans Paid in Full
Low Income	**Group 1** Low Debt	9.5%	11.1%	21.1%	16.9	11.6%	25.9%	3.8%	78.0%	9.2	155 6%	172.1%
	Group 2 Medium-High Debt	15.6	22.8	26.3	18.1	9.0	26.0	4.4	83.8	8.1	154.4	183.6
Medium Income	**Group 3** Low Debt	11.2	8.5	13.6	9.6	11.9	0.8	0.0	24.9	2 9	178.9	149.2
	Group 4 Medium Debt	25.2	21.5	15.4	11.9	10.6	3.6	0.5	37.1	3.8	181.7	161.2
	Group 5 High Debt	13.6	18.9	24.9	14.8	10.2	7.7	0.9	56.6	4.3	205.7	174.1
High Income	**Group 6** Low-Medium Debt	17.5	12.4	12.7	10.3	10.4	2.9	0.2	20 3	3.7	203.8	153.3
	Group 7 High Debt	7.5	5.0	11.9	11.6	10.4	3.5	0.6	33.1	3.6	143.7	159.3
	Total	100.0%	100.0%	18.0%	14.0	10.1%	11.6%	1.8%	52.6%	6.3	164.4%	166.7%

Changes from Current NPRM

o For formula payments, reduce payment floor to $15, so that if payment calculated under the formula is less than $15, no payment would be required.

o Stop interest capitalization when balance equals 110% of the borrower's original repayment balance.

o Establish a payment cap at 20% of discretionary family income for all borrowers. (Discretionary individual income is defined as adjusted gross income minus the poverty level --pro-rated to reflect the ratio of individual to family debt.) In addition to this 20% cap, the current cap at 15% of adjusted gross income would remain in effect.

o The $7 per child deduction for borrowers paying the Income Contingent Formula amount is eliminated.

o Change the basis for determining the maximum payment amount for the 12-year amortization payment cap under Option 2. This new approach involves two steps:

- Calculate the 12-year amortization payment amount based on the beginning balance.
- After each period of negative amortization, recalculate the amortization schedule to reflect the new balance. The payment cap would only change if the recalculated monthly payment exceeds the current monthly payment.

The second amount would be the 12-year maximum payment amount under Option 2.

o Require a $15 minimum payment for borrowers whose payments are based on the 12-year amortization cap. (Under this approach, borrowers whose payments fall below $15 would pay $15.)

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	5-Year Total
Subsidy Rate	10.87%	8.18%	8.08%	10.23%	12.29%	10.08%
Subsidy Cost (in Millions)	$486	$889	$1,053	$1,583	$2,242	$6,253
Change from Current NPRM (in Millions)	$44	$116	$129	$154	$181	$625

14-Nov-94
Office of the Under Secretary

Note: Details may not add to totals due to rounding.

Income-Contingent Repayment - Recommended with Alternative Estimating Assumptions

	Income/ Debt Group	Percent of all Borrowers	Percent of all ICR Borrowers	Percent Within Group Taking ICR	Average Years in Repayment	Average Subsidy Rate Over 5 Years	Not Paid in Full: Percent of Borrowers	Not Paid in Full: Percent of Debt	Negative Amortization: Percent of Borrowers Affected	Negative Amortization: Average Years for Affected Borrowers	Percentage of Principal Repaid: Loans Forgiven	Percentage of Principal Repaid: Loans Paid in Full
Low Income	Group 1 Low Debt	9.5%	9.5%	18.0%	15.9	10.3%	21.3%	3.8%	69.2%	8.5	141.2%	166.2%
	Group 2 Medium-High Debt	15.6	15.6	18.0	18.4	7.9	27.2	5.0	80.8	8.5	149.1	183.9
Medium Income	Group 3 Low Debt	11.2	11.2	18.0	9.5	10.3	1.3	0.1	18.7	2.8	157.1	147.9
	Group 4 Medium Debt	25.2	25.2	18.0	11.0	9.4	2.6	0.3	25.4	3.3	193.7	156.5
	Group 5 High Debt	13.6	13.6	18.0	13.6	9.2	4.7	0.5	45.5	3.5	198.7	169.0
High Income	Group 6 Low-Medium Debt	17.5	17.5	18.0	9.6	9.3	1.4	0.2	9.0	4.4	157 4	149.5
	Group 7 High Debt	7.5	7.5	18.0	11.0	9.1	2.0	0.3	17.8	4.0	147.1	156.8
	Total	100.0%	100.0%	18.0%	12.5	9.1%	8.1%	1.4%	36.7%	6.1	155.0%	160.1%

Changes from Current NPRM (random selection)

o For formula payments, reduce payment floor to $15, so that if payment calculated under the formula is less than $15, no payment would be required.

o Stop interest capitalization when balance equals 110% of the borrower's original repayment balance.

o Establish a payment cap at 20% of discretionary family income for all borrowers. (Discretionary individual income is defined as adjusted gross income minus the poverty level --pro-rated to reflect the ratio of individual to family debt.) In addition to this 20% cap, the current cap at 15% of adjusted gross income would remain in effect.

o The $7 per child deduction for borrowers paying the Income Contingent Formula amount is eliminated.

o Change the basis for determining the maximum payment amount for the 12-year amortization payment cap under Option 2. This new approach involves two steps:

- Calculate the 12-year amortization payment amount based on the beginning balance.
- After each period of negative amortization, recalculate the amortization schedule to reflect the new balance. The payment cap would only change if the recalculated monthly payment exceeds the current monthly payment.

The second amount would be the 12-year maximum payment amount under Option 2.

o Require a $15 minimum payment for borrowers whose payments are based on the 12-year amortization cap. (Under this approach, borrowers whose payments fall below $15 would pay $15.)

o Participation in ICL is based on a random selection of Income/Debt group borrowers - such that each group participated in ICL at their given population percentage.

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	5-Year Total
Subsidy Rate	9.86%	7.17%	7.08%	9.22%	11.29%	9.07%
Subsidy Cost (in Millions)	$441	$780	$921	$1,427	$2,058	$5,627
Change from Current NPRM (in Millions) Random Selection	($1)	($2)	($2)	($2)	($3)	($9)

Note: Details may not add to totals due to rounding.

14-Nov-94
Office of the Under Secretary

Income-Contingent Repayment - Option A

Income	Income/ Debt Group	Percent of all Borrowers	Percent of all ICR Borrowers	Percent Within Group Taking ICR	Average Years in Repayment	Average Subsidy Rate Over 5 Years	Not Paid in Full		Negative Amortization		Percentage of Principal Repaid	
							Percent of Borrowers	Percent of Debt	Percent of Borrowers Affected	Average Years for Affected Borrowers	Loans Forgiven	Loans Paid in Full
Low Income	Group 1 Low Debt	9.5%	11.1%	21.1%	16.6	13.1%	23.4%	3.2%	78.0%	9.0	144.5%	166.1%
	Group 2 Medium-High Debt	15.6	22.8	26.3	17.8	10.1	21.9	3.6	83.8	7.8	136.7	177.0
Medium Income	Group 3 Low Debt	11.2	8.5	13.6	9.5	13.7	0.8	0.0	24.9	2.9	178.9	147.2
	Group 4 Medium Debt	25.2	21.5	15.4	11.7	12.1	2.4	0.4	37.1	3.3	144.0	159.0
	Group 5 High Debt	13.6	18.9	24.9	14.4	11.6	6.1	0.7	56.6	3.9	187.9	170.2
High Income	Group 6 Low-Medium Debt	17.5	12.4	12.7	10.2	11.9	2.4	0.2	20.3	3.4	195.4	151.7
	Group 7 High Debt	7.5	5.0	11.9	11.3	11.9	3.5	0.6	33.1	3.2	143.7	156.2
	Total	100 0%	100.0%	18.0%	13.8	11.5%	9.8%	1.5%	52.6%	6.0	147.4%	163.2%

Changes from Current NPRM

o For formula payments, reduce payment floor to $15, so that if payment calculated under the formula is less than $15, no payment would be required.

o Stop interest capitalization when balance equals 100% of the borrower's original repayment balance.

o Establish a payment cap at 20% of discretionary family income for all borrowers. (Discretionary individual income is defined as adjusted gross income minus the poverty level --pro-rated to reflect the ratio of individual to family debt.) In addition to this 20% cap, the current cap at 15% of adjusted gross income would remain in effect.

o The $7 per child deduction for borrowers paying the Income Contingent Formula amount is eliminated.

o Change the basis for determining the maximum payment amount for the 12-year amortization payment cap under Option 2. This new approach involves two steps:

- Calculate the 12-year amortization payment amount based on the beginning balance.
- After each period of negative amortization, recalculate the amortization schedule to reflect the new balance. The payment cap would only change if the recalculated monthly payment exceeds the current monthly payment.

The second amount would be the 12-year maximum payment amount under Option 2.

o Require a $15 minimum payment for borrowers whose payments are based on the 12-year amortization cap. (Under this approach, borrowers whose payments fall below $15 would pay $15.)

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	5-Year Total
Subsidy Rate	12.26%	9.57%	9.48%	11.62%	13.69%	11.47%
Subsidy Cost (in Millions)	$548	$1,041	$1,234	$1,798	$2,496	$7,117
Change from Current NPRM (in Millions)	$107	$259	$311	$369	$435	$1,481

Note: Details may not add to totals due to rounding.

14-Nov-94
Office of the Under Secretary

Income-Contingent Repayment - Option B

	Income/ Debt Group	Percent of all Borrowers	Percent of all ICR Borrowers	Percent Within Group Taking ICR	Average Years in Repayment	Average Subsidy Rate Over 5 Years	Not Paid in Full		Negative Amortization		Percentage of Principal Repaid	
							Percent of Borrowers	Percent of Debt	Percent of Borrowers Affected	Average Years for Affected Borrowers	Loans Forgiven	Loans Paid in Full
Low Income	Group 1 Low Debt	9.5%	10.6%	23.6%	18.8	14.1%	33.7%	6.0%	89.8%	10.0	145.0%	184.3%
	Group 2 Medium-High Debt	15.6	22.4	30.3	21.1	10.3	40.8	7.9	97.5	10.9	148.7	204.1
Medium Income	Group 3 Low Debt	11.2	8.9	16.7	10.7	15.6	3.5	0 2	44.8	3.2	226.5	155.0
	Group 4 Medium Debt	25.2	22.4	18.8	13.8	13.9	8.5	0.8	64.1	4.3	210.3	172.0
	Group 5 High Debt	13.6	19.1	29.5	17.4	13.4	15.3	1.9	83.7	5.7	196.8	192.5
High Income	Group 6 Low-Medium Debt	17.5	11.2	13.5	11.1	13.7	4.4	0.7	32.1	4.6	160.1	157.2
	Group 7 High Debt	7.5	5.5	15.5	13.3	13.8	10.1	0.8	55.5	3.8	219.7	166.4
	Total	100.0%	100.0%	21.1%	16.0	13.0%	18.9%	3.1%	72.3%	7.3	165.4%	178.3%

Changes from Current NPRM

o For formula payments, reduce payment floor to $15, so that if payment calculated under the formula is less than $15, no payment would be required.

o Stop interest capitalization when balance equals 110% of the borrower's original repayment balance.

o Both options cap payments at 15% of income. Income over the poverty level is assessed at 4% plus an additional 0.2% for each $1,000 of debt. There is no assessment on income below the poverty level.

o The $7 per child deduction for borrowers paying the Income Contingent Formula amount is eliminated.

o Change the basis for determining the maximum payment amount for the 12-year amortization payment cap under Option 2. This new approach involves two steps:

- Calculate the 12-year amortization payment amount based on the beginning balance.
- After each period of negative amortization, recalculate the amortization schedule to reflect the new balance. The payment cap would only change if the recalculated monthly payment exceeds the current monthly payment.

The second amount would be the 12-year maximum payment amount under Option 2.

o Require a $15 minimum payment for borrowers whose payments are based on the 12-year amortization cap. (Under this approach, borrowers whose payments fall below $15 would pay $15.)

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	5-Year Total
Subsidy Rate	13.74%	11.05%	10.95%	13.10%	15.16%	12.95%
Subsidy Cost (in Millions)	$614	$1,201	$1,426	$2,027	$2,765	$8,034
Change from Current NPRM (in Millions)	$173	$420	$503	$598	$705	$2,398

Note: Details may not add to totals due to rounding.

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Illustrative Borrower Types: Comparisons of Income-Contingent, Standard, Graduated, and Extended Repayment Plans for a Single Borrower (Family of 1)

Plan Type	First Year Monthly Amount	First Year Percent of Income	Year 10 Monthly Amount	Year 10 Percent of Income	Term/Balance Remaining After 25 Years	Total Amount Repaid
Borrower Type A: Low income ($10,000 starting income) for 5 Years then Typical Current Income/Moderately High Debt ($20,000)						
Income Contingent:						
NPRM	$65	7.8%	$210	7.3%	22	$45,927
Recommended	$44	5.3%	$225	7.8%	17	$37,246
Standard	237	28.4%	237	8.2%	10	28,401
Graduated	126	15.1%	165	5.7%	20	41,672
Extended	160	19.2%	160	5.6%	20	38,463
Borrower Type B: Low income ($10,000 starting income) for 5 Years then Higher Current Income ($40,000)/High Debt ($50,000)						
Income Contingent:						
NPRM	$115	13.8%	$526	13.5%	24	$127,299
Recommended	$44	5.3%	$538	13.8%	19	$93,002
Standard	592	71.0%	592	15.2%	10	71,002
Graduated	316	37.9%	365	9.4%	25	123,772
Extended	367	44.1%	367	9.4%	25	110,167

Illustrative Borrower Types: Comparisons of Income-Contingent, Standard, Graduated, and Extended Repayment Plans for a Single Borrower with One Child (Family of 2)

Plan Type	First Year Monthly Amount	First Year Percent of Income	Year 10 Monthly Amount	Year 10 Percent of Income	Term/Balance Remaining After 25 Years	Total Amount Repaid
Borrower Type A: Low income ($10,000 starting income) for 5 Years then Typical Current Income/Moderately High Debt ($20,000)						
Income Contingent:						
NPRM	$58	7.0%	$210	7.3%	23	$47,824
Recommended	- -	- -	$225	7.8%	17	$34,228
Standard	237	28.4%	237	8.2%	10	28,401
Graduated	126	15.1%	165	5.7%	20	41,672
Extended	160	19.2%	160	5.6%	20	38,463
Borrower Type B: Low income ($10,000 starting income) for 5 Years then Higher Current Income ($40,000)/High Debt ($50,000)						
Income Contingent:						
NPRM	$108	13.0%	$526	13.5%	25	$129,858
Recommended	- -	- -	$538	13.8%	19	$89,354
Standard	592	71.0%	592	15.2%	10	71,002
Graduated	316	37.9%	365	9.4%	25	123,772
Extended	367	44.1%	367	9.4%	25	110,167
Extended	367	44.1%	367	9.4%	25	110,167

Clinton Presidential Records
Digital Records Marker

Divider Title: **H**

Income Contingent Repayment Plan -- NPRM

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25	25	25	25	25	25	25	25	25
3,000	0	0	0	0	0	0	0	0	0	0	25	27	30	32	35	37	38	38	38	38	38	38	38	38
4,000	0	0	0	0	0	0	0	26	28	29	33	36	39	43	46	49	50	50	50	50	50	50	50	50
5,000	0	0	0	0	26	28	30	33	35	37	41	45	49	53	58	62	63	63	63	63	63	63	63	63
6,000	0	0	27	29	32	34	37	39	42	44	49	54	59	64	69	74	75	75	75	75	75	75	75	75
7,000	25	28	31	34	37	40	43	46	48	51	57	63	69	75	81	86	88	88	88	88	88	88	88	88
8,000	29	32	35	39	42	45	49	52	55	59	65	72	79	85	92	99	100	100	100	100	100	100	100	100
9,000	32	36	40	44	47	51	55	59	62	66	74	81	89	96	104	111	113	113	113	113	113	113	113	113
10,000	36	40	44	48	53	57	61	65	69	73	82	90	98	107	115	123	125	125	125	125	125	125	125	125
12,500	45	50	55	60	66	71	76	81	86	92	102	113	123	133	144	154	156	156	156	156	156	156	156	156
15,000	54	60	66	73	79	85	91	98	104	110	123	135	148	160	173	185	188	188	188	188	188	188	188	188
17,500	63	70	77	85	92	99	106	114	121	128	143	158	172	187	201	216	219	219	219	219	219	219	219	219
20,000	72	80	88	97	105	113	122	130	138	147	163	180	197	213	230	247	250	250	250	250	250	250	250	250
22,500	81	90	99	109	118	128	137	146	156	165	184	203	221	240	259	278	281	281	281	281	281	281	281	281
25,000	90	100	110	121	131	142	152	163	173	183	204	225	246	267	288	308	313	313	313	313	313	313	313	313
30,000	108	120	133	145	158	170	183	195	208	220	245	270	295	320	345	370	375	375	375	375	375	375	375	375
35,000	125	140	155	169	184	198	213	228	242	257	286	315	344	373	403	432	438	438	438	438	438	438	438	438
40,000	143	160	177	193	210	227	243	260	277	293	327	360	393	427	460	493	500	500	500	500	500	500	500	500
45,000	161	180	199	218	236	255	274	293	311	330	368	405	443	480	518	555	563	563	563	563	563	563	563	563
50,000	179	200	221	242	263	283	304	325	346	367	408	450	492	533	575	617	625	625	625	625	625	625	625	625
55,000	197	220	243	266	289	312	335	358	380	403	449	495	541	587	633	678	688	688	688	688	688	688	688	688
60,000	215	240	265	290	315	340	365	390	415	440	490	540	590	640	690	740	750	750	750	750	750	750	750	750
65,000	217	260	287	314	341	368	395	423	450	477	531	585	639	693	748	802	813	813	813	813	813	813	813	813
70,000	217	280	309	338	368	397	426	455	484	513	572	630	688	747	805	863	875	875	875	875	875	875	875	875
75,000	217	300	331	363	394	425	456	488	519	550	613	675	738	800	863	925	938	938	938	938	938	938	938	938
80,000	217	320	353	387	420	453	487	520	553	587	653	720	787	853	920	987	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
85,000	217	340	375	411	446	482	517	553	588	623	694	765	836	907	978	1,048	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
90,000	217	360	398	435	473	510	548	585	623	660	735	810	885	960	1,035	1,110	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
95,000	217	380	420	459	499	538	578	618	657	697	776	855	934	1,013	1,093	1,172	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
100,000	217	400	442	483	525	567	608	650	692	733	817	900	983	1,067	1,150	1,233	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The blue figures represent those payment cells for which the income contingent formula calculation exceeds the "Option 2" 12-year amount.

14-Nov-94

Income Contingent Repayment Plan -- NPRM

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000		$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	25	15.0%	25	15.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	25	9.8%	30	11.8%	35	13.8%	38	15.0%	38	15.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	26	7.8%	29	8.8%	33	9.8%	39	11.8%	46	13.8%	50	15.0%	50	15.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	28	6.8%	33	7.8%	37	8.8%	41	9.8%	49	11.8%	58	13.8%	63	15.0%	63	15.0%
6,000	0	0.0%	0	0.0%	27	5.3%	29	5.8%	34	6.8%	39	7.8%	44	8.8%	49	9.8%	59	11.8%	69	13.8%	75	15.0%	75	15.0%
7,000	25	4.3%	28	4.8%	31	5.3%	34	5.8%	40	6.8%	46	7.8%	51	8.8%	57	9.8%	69	11.8%	81	13.8%	88	15.0%	88	15.0%
8,000	29	4.3%	32	4.8%	35	5.3%	39	5.8%	45	6.8%	52	7.8%	59	8.8%	65	9.8%	79	11.8%	92	13.8%	100	15.0%	100	15.0%
9,000	32	4.3%	36	4.8%	40	5.3%	44	5.8%	51	6.8%	59	7.8%	66	8.8%	74	9.8%	89	11.8%	104	13.8%	113	15.0%	113	15.0%
10,000	36	4.3%	40	4.8%	44	5.3%	48	5.8%	57	6.8%	65	7.8%	73	8.8%	82	9.8%	98	11.8%	115	13.8%	125	15.0%	125	15.0%
12,500	45	4.3%	50	4.8%	55	5.3%	60	5.8%	71	6.8%	81	7.8%	92	8.8%	102	9.8%	123	11.8%	144	13.8%	156	15.0%	156	15.0%
15,000	54	4.3%	60	4.8%	66	5.3%	73	5.8%	85	6.8%	98	7.8%	110	8.8%	123	9.8%	148	11.8%	173	13.8%	188	15.0%	188	15.0%
17,500	63	4.3%	70	4.8%	77	5.3%	85	5.8%	99	6.8%	114	7.8%	128	8.8%	143	9.8%	172	11.8%	201	13.8%	219	15.0%	219	15.0%
20,000	72	4.3%	80	4.8%	88	5.3%	97	5.8%	113	6.8%	130	7.8%	147	8.8%	163	9.8%	197	11.8%	230	13.8%	250	15.0%	250	15.0%
22,500	81	4.3%	90	4.8%	99	5.3%	109	5.8%	128	6.8%	146	7.8%	165	8.8%	184	9.8%	221	11.8%	259	13.8%	281	15.0%	281	15.0%
25,000	90	4.3%	100	4.8%	110	5.3%	121	5.8%	142	6.8%	163	7.8%	183	8.8%	204	9.8%	246	11.8%	288	13.8%	313	15.0%	313	15.0%
30,000	108	4.3%	120	4.8%	133	5.3%	145	5.8%	170	6.8%	195	7.8%	220	8.8%	245	9.8%	295	11.8%	345	13.8%	375	15.0%	375	15.0%
35,000	125	4.3%	140	4.8%	155	5.3%	169	5.8%	198	6.8%	228	7.8%	257	8.8%	286	9.8%	344	11.8%	403	13.8%	438	15.0%	438	15.0%
40,000	143	4.3%	160	4.8%	177	5.3%	193	5.8%	227	6.8%	260	7.8%	293	8.8%	327	9.8%	393	11.8%	460	13.8%	500	15.0%	500	15.0%
45,000	161	4.3%	180	4.8%	199	5.3%	218	5.8%	255	6.8%	293	7.8%	330	8.8%	368	9.8%	443	11.8%	518	13.8%	563	15.0%	563	15.0%
50,000	179	4.3%	200	4.8%	221	5.3%	242	5.8%	283	6.8%	325	7.8%	367	8.8%	408	9.8%	492	11.8%	575	13.8%	625	15.0%	625	15.0%
55,000	197	4.3%	220	4.8%	243	5.3%	266	5.8%	312	6.8%	358	7.8%	403	8.8%	449	9.8%	541	11.8%	633	13.8%	688	15.0%	688	15.0%
60,000	215	4.3%	240	4.8%	265	5.3%	290	5.8%	340	6.8%	390	7.8%	440	8.8%	490	9.8%	590	11.8%	690	13.8%	750	15.0%	750	15.0%
65,000	217	4.0%	260	4.8%	287	5.3%	314	5.8%	368	6.8%	423	7.8%	477	8.8%	531	9.8%	639	11.8%	748	13.8%	813	15.0%	813	15.0%
70,000	217	3.7%	280	4.8%	309	5.3%	338	5.8%	397	6.8%	455	7.8%	513	8.8%	572	9.8%	688	11.8%	805	13.8%	875	15.0%	875	15.0%
75,000	217	3.5%	300	4.8%	331	5.3%	363	5.8%	425	6.8%	488	7.8%	550	8.8%	613	9.8%	738	11.8%	863	13.8%	938	15.0%	938	15.0%
80,000	217	3.3%	320	4.8%	353	5.3%	387	5.8%	453	6.8%	520	7.8%	587	8.8%	653	9.8%	787	11.8%	920	13.8%	1,000	15.0%	1,000	15.0%
85,000	217	3.1%	340	4.8%	375	5.3%	411	5.8%	482	6.8%	553	7.8%	623	8.8%	694	9.8%	836	11.8%	978	13.8%	1,063	15.0%	1,063	15.0%
90,000	217	2.9%	360	4.8%	398	5.3%	435	5.8%	510	6.8%	585	7.8%	660	8.8%	735	9.8%	885	11.8%	1,035	13.8%	1,125	15.0%	1,125	15.0%
95,000	217	2.7%	380	4.8%	420	5.3%	459	5.8%	538	6.8%	618	7.8%	697	8.8%	776	9.8%	934	11.8%	1,093	13.8%	1,188	15.0%	1,188	15.0%
100,000	217	2.6%	400	4.8%	442	5.3%	483	5.8%	567	6.8%	650	7.8%	733	8.8%	817	9.8%	983	11.8%	1,150	13.8%	1,250	15.0%	1,250	15.0%

Income Contingent Repayment Plan -- NPRM

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	25	28	30	31	31	31	31	31	31	31	31
4,000	0	0	0	0	0	0	0	0	0	0	26	29	32	36	39	42	43	43	43	43	43	43	43	43
5,000	0	0	0	0	0	0	0	26	28	30	34	38	42	46	51	55	56	56	56	56	56	56	56	56
6,000	0	0	0	0	25	27	30	32	35	37	42	47	52	57	62	67	68	68	68	68	68	68	68	68
7,000	0	0	0	27	30	33	36	39	41	44	50	56	62	68	74	79	81	81	81	81	81	81	81	81
8,000	0	25	28	32	35	38	42	45	48	52	58	65	72	78	85	92	93	93	93	93	93	93	93	93
9,000	25	29	33	37	40	44	48	52	55	59	67	74	82	89	97	104	106	106	106	106	106	106	106	106
10,000	29	33	37	41	46	50	54	58	62	66	75	83	91	100	108	116	118	118	118	118	118	118	118	118
12,500	38	43	48	53	59	64	69	74	79	85	95	106	116	126	137	147	149	149	149	149	149	149	149	149
15,000	47	53	59	66	72	78	84	91	97	103	116	128	141	153	166	178	181	181	181	181	181	181	181	181
17,500	56	63	70	78	85	92	99	107	114	121	136	151	165	180	194	209	212	212	212	212	212	212	212	212
20,000	65	73	81	90	98	106	115	123	131	140	156	173	190	206	223	240	243	243	243	243	243	243	243	243
22,500	74	83	92	102	111	121	130	139	149	158	177	196	214	233	252	271	274	274	274	274	274	274	274	274
25,000	83	93	103	114	124	135	145	156	166	176	197	218	239	260	281	301	306	306	306	306	306	306	306	306
30,000	101	113	126	138	151	163	176	188	201	213	238	263	288	313	338	363	368	368	368	368	368	368	368	368
35,000	118	133	148	162	177	191	206	221	235	250	279	308	337	366	396	425	431	431	431	431	431	431	431	431
40,000	136	153	170	186	203	220	236	253	270	286	320	353	386	420	453	486	493	493	493	493	493	493	493	493
45,000	154	173	192	211	229	248	267	286	304	323	361	398	436	473	511	548	556	556	556	556	556	556	556	556
50,000	172	193	214	235	255	276	297	318	339	360	401	443	485	526	568	610	618	618	618	618	618	618	618	618
55,000	190	213	236	259	282	305	328	351	373	396	442	488	534	580	626	671	681	681	681	681	681	681	681	681
60,000	208	233	258	283	308	333	358	383	408	433	483	533	583	633	683	733	743	743	743	743	743	743	743	743
65,000	217	253	280	307	334	361	388	416	443	470	524	578	632	686	741	795	806	806	806	806	806	806	806	806
70,000	217	273	302	331	361	390	419	448	477	506	565	623	681	740	798	856	868	868	868	868	868	868	868	868
75,000	217	293	324	356	387	418	449	481	512	543	606	668	731	793	856	918	931	931	931	931	931	931	931	931
80,000	217	313	346	380	413	446	480	513	546	580	646	713	780	846	913	980	993	993	993	993	993	993	993	993
85,000	217	333	368	404	439	475	510	546	581	616	687	758	829	900	971	1,041	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056
90,000	217	353	391	428	466	503	541	578	616	653	728	803	878	953	1,028	1,103	1,118	1,118	1,118	1,118	1,118	1,118	1,118	1,118
95,000	217	373	413	452	492	531	571	611	650	690	769	848	927	1,006	1,086	1,165	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
100,000	217	393	435	476	518	560	601	643	685	726	810	893	976	1,060	1,143	1,226	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The blue figures represent those payment cells for which the income contingent formula calculation exceeds the "Option 2" 12-year amount.

14-Nov-94

Income Contingent Repayment Plan -- NPRM

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000		$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	28	11.0%	31	12.2%	31	12.2%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	26	7.7%	32	9.7%	39	11.7%	43	12.9%	43	12.9%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	26	6.1%	30	7.1%	34	8.1%	42	10.1%	51	12.1%	56	13.3%	56	13.3%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	27	5.4%	32	6.4%	37	7.4%	42	8.4%	52	10.4%	62	12.4%	68	13.6%	68	13.6%
7,000	0	0.0%	0	0.0%	0	0.0%	27	4.6%	33	5.6%	39	6.6%	44	7.6%	50	8.6%	62	10.6%	74	12.6%	81	13.8%	81	13.8%
8,000	0	0.0%	25	3.8%	28	4.3%	32	4.8%	38	5.8%	45	6.8%	52	7.8%	58	8.8%	72	10.8%	85	12.8%	93	14.0%	93	14.0%
9,000	25	3.4%	29	3.9%	33	4.4%	37	4.9%	44	5.9%	52	6.9%	59	7.9%	67	8.9%	82	10.9%	97	12.9%	106	14.1%	106	14.1%
10,000	29	3.5%	33	4.0%	37	4.5%	41	5.0%	50	6.0%	58	7.0%	66	8.0%	75	9.0%	91	11.0%	108	13.0%	118	14.2%	118	14.2%
12,500	38	3.6%	43	4.1%	48	4.6%	53	5.1%	64	6.1%	74	7.1%	85	8.1%	95	9.1%	116	11.1%	137	13.1%	149	14.3%	149	14.3%
15,000	47	3.7%	53	4.2%	59	4.7%	66	5.2%	78	6.2%	91	7.2%	103	8.2%	116	9.2%	141	11.2%	166	13.2%	181	14.4%	181	14.4%
17,500	56	3.8%	63	4.3%	70	4.8%	78	5.3%	92	6.3%	107	7.3%	121	8.3%	136	9.3%	165	11.3%	194	13.3%	212	14.5%	212	14.5%
20,000	65	3.9%	73	4.4%	81	4.9%	90	5.4%	106	6.4%	123	7.4%	140	8.4%	156	9.4%	190	11.4%	223	13.4%	243	14.6%	243	14.6%
22,500	74	3.9%	83	4.4%	92	4.9%	102	5.4%	121	6.4%	139	7.4%	158	8.4%	177	9.4%	214	11.4%	252	13.4%	274	14.6%	274	14.6%
25,000	83	4.0%	93	4.5%	103	5.0%	114	5.5%	135	6.5%	156	7.5%	176	8.5%	197	9.5%	239	11.5%	281	13.5%	306	14.7%	306	14.7%
30,000	101	4.0%	113	4.5%	126	5.0%	138	5.5%	163	6.5%	188	7.5%	213	8.5%	238	9.5%	288	11.5%	338	13.5%	368	14.7%	368	14.7%
35,000	118	4.1%	133	4.6%	148	5.1%	162	5.6%	191	6.6%	221	7.6%	250	8.6%	279	9.6%	337	11.6%	396	13.6%	431	14.8%	431	14.8%
40,000	136	4.1%	153	4.6%	170	5.1%	186	5.6%	220	6.6%	253	7.6%	286	8.6%	320	9.6%	386	11.6%	453	13.6%	493	14.8%	493	14.8%
45,000	154	4.1%	173	4.6%	192	5.1%	211	5.6%	248	6.6%	286	7.6%	323	8.6%	361	9.6%	436	11.6%	511	13.6%	556	14.8%	556	14.8%
50,000	172	4.1%	193	4.6%	214	5.1%	235	5.6%	276	6.6%	318	7.6%	360	8.6%	401	9.6%	485	11.6%	568	13.6%	618	14.8%	618	14.8%
55,000	190	4.1%	213	4.6%	236	5.1%	259	5.6%	305	6.6%	351	7.6%	396	8.6%	442	9.6%	534	11.6%	626	13.6%	681	14.8%	681	14.8%
60,000	208	4.2%	233	4.7%	258	5.2%	283	5.7%	333	6.7%	383	7.7%	433	8.7%	483	9.7%	583	11.7%	683	13.7%	743	14.9%	743	14.9%
65,000	217	4.0%	253	4.7%	280	5.2%	307	5.7%	368	6.8%	416	7.7%	470	8.7%	524	9.7%	639	11.8%	741	13.7%	806	14.9%	806	14.9%
70,000	217	3.7%	273	4.7%	302	5.2%	331	5.7%	397	6.8%	448	7.7%	506	8.7%	565	9.7%	688	11.8%	798	13.7%	868	14.9%	868	14.9%
75,000	217	3.5%	293	4.7%	324	5.2%	356	5.7%	425	6.8%	481	7.7%	543	8.7%	606	9.7%	738	11.8%	856	13.7%	931	14.9%	931	14.9%
80,000	217	3.3%	313	4.7%	346	5.2%	380	5.7%	453	6.8%	513	7.7%	580	8.7%	646	9.7%	787	11.8%	913	13.7%	993	14.9%	993	14.9%
85,000	217	3.1%	333	4.7%	368	5.2%	404	5.7%	482	6.8%	546	7.7%	616	8.7%	687	9.7%	836	11.8%	971	13.7%	1,056	14.9%	1,056	14.9%
90,000	217	2.9%	353	4.7%	391	5.2%	428	5.7%	510	6.8%	578	7.7%	653	8.7%	728	9.7%	885	11.8%	1,028	13.7%	1,118	14.9%	1,118	14.9%
95,000	217	2.7%	373	4.7%	413	5.2%	452	5.7%	538	6.8%	611	7.7%	690	8.7%	769	9.7%	934	11.8%	1,086	13.7%	1,181	14.9%	1,181	14.9%
100,000	217	2.6%	393	4.7%	435	5.2%	476	5.7%	567	6.8%	643	7.7%	726	8.7%	810	9.7%	983	11.8%	1,143	13.7%	1,243	14.9%	1,243	14.9%

Income Contingent Repayment Plan -- Recommended

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9,000	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27
10,000	36	40	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
12,500	45	50	55	60	66	71	76	81	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
15,000	54	60	66	73	79	85	91	98	104	110	123	127	127	127	127	127	127	127	127	127	127	127	127	127
17,500	63	70	77	85	92	99	106	114	121	128	143	158	169	169	169	169	169	169	169	169	169	169	169	169
20,000	72	80	88	97	105	113	122	130	138	147	163	180	197	211	211	211	211	211	211	211	211	211	211	211
22,500	81	90	99	109	118	128	137	146	156	165	184	203	221	240	252	252	252	252	252	252	252	252	252	252
25,000	90	100	110	121	131	142	152	163	173	183	204	225	246	267	288	294	294	294	294	294	294	294	294	294
30,000	108	120	133	145	158	170	183	195	208	220	245	270	295	320	345	370	375	375	375	375	375	375	375	375
35,000	125	140	155	169	184	198	213	228	242	257	286	315	344	373	403	432	438	438	438	438	438	438	438	438
40,000	143	160	177	193	210	227	243	260	277	293	327	360	393	427	460	493	500	500	500	500	500	500	500	500
45,000	161	180	199	218	236	255	274	293	311	330	368	405	443	480	518	555	563	563	563	563	563	563	563	563
50,000	179	200	221	242	263	283	304	325	346	367	408	450	492	533	575	617	625	625	625	625	625	625	625	625
55,000	197	220	243	266	289	312	335	358	380	403	449	495	541	587	633	678	688	688	688	688	688	688	688	688
60,000	215	240	265	290	315	340	365	390	415	440	490	540	590	640	690	740	750	750	750	750	750	750	750	750
65,000	217	260	287	314	341	368	395	423	450	477	531	585	639	693	748	802	813	813	813	813	813	813	813	813
70,000	217	280	309	338	368	397	426	455	484	513	572	630	688	747	805	863	875	875	875	875	875	875	875	875
75,000	217	300	331	363	394	425	456	488	519	550	613	675	738	800	863	925	938	938	938	938	938	938	938	938
80,000	217	320	353	387	420	453	487	520	553	587	653	720	787	853	920	987	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
85,000	217	340	375	411	446	482	517	553	588	623	694	765	836	907	978	1,048	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
90,000	217	360	398	435	473	510	548	585	623	660	735	810	885	960	1,035	1,110	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
95,000	217	380	420	459	499	538	578	618	657	697	776	855	934	1,013	1,093	1,172	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
100,000	217	400	442	483	525	567	608	650	692	733	817	900	983	1,067	1,150	1,233	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The blue figures represent those payment cells for which the income contingent formula calculation exceeds the "Option 2" 12-year amount.

Note: The red figures represent payment amounts that are less under this plan compared to the NPRM.

14-Nov-94

Income Contingent Repayment Plan -- Recommended

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000		$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%
10,000	36	4.3%	40	4.8%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%
12,500	45	4.3%	50	4.8%	55	5.3%	60	5.8%	71	6.8%	81	7.8%	86	8.2%	86	8.2%	86	8.2%	86	8.2%	86	8.2%	86	8.2%
15,000	54	4.3%	60	4.8%	66	5.3%	73	5.8%	85	6.8%	98	7.8%	110	8.8%	123	9.8%	127	10.2%	127	10.2%	127	10.2%	127	10.2%
17,500	63	4.3%	70	4.8%	77	5.3%	85	5.8%	99	6.8%	114	7.8%	128	8.8%	143	9.8%	169	11.6%	169	11.6%	169	11.6%	169	11.6%
20,000	72	4.3%	80	4.8%	88	5.3%	97	5.8%	113	6.8%	130	7.8%	147	8.8%	163	9.8%	197	11.8%	211	12.6%	211	12.6%	211	12.6%
22,500	81	4.3%	90	4.8%	99	5.3%	109	5.8%	128	6.8%	146	7.8%	165	8.8%	184	9.8%	221	11.8%	252	13.5%	252	13.5%	252	13.5%
25,000	90	4.3%	100	4.8%	110	5.3%	121	5.8%	142	6.8%	163	7.8%	183	8.8%	204	9.8%	246	11.8%	288	13.8%	294	14.1%	294	14.1%
30,000	108	4.3%	120	4.8%	133	5.3%	145	5.8%	170	6.8%	195	7.8%	220	8.8%	245	9.8%	295	11.8%	345	13.8%	375	15.0%	375	15.0%
35,000	125	4.3%	140	4.8%	155	5.3%	169	5.8%	198	6.8%	228	7.8%	257	8.8%	286	9.8%	344	11.8%	403	13.8%	438	15.0%	438	15.0%
40,000	143	4.3%	160	4.8%	177	5.3%	193	5.8%	227	6.8%	260	7.8%	293	8.8%	327	9.8%	393	11.8%	460	13.8%	500	15.0%	500	15.0%
45,000	161	4.3%	180	4.8%	199	5.3%	218	5.8%	255	6.8%	293	7.8%	330	8.8%	368	9.8%	443	11.8%	518	13.8%	563	15.0%	563	15.0%
50,000	179	4.3%	200	4.8%	221	5.3%	242	5.8%	283	6.8%	325	7.8%	367	8.8%	408	9.8%	492	11.8%	575	13.8%	625	15.0%	625	15.0%
55,000	197	4.3%	220	4.8%	243	5.3%	266	5.8%	312	6.8%	358	7.8%	403	8.8%	449	9.8%	541	11.8%	633	13.8%	688	15.0%	688	15.0%
60,000	215	4.3%	240	4.8%	265	5.3%	290	5.8%	340	6.8%	390	7.8%	440	8.8%	490	9.8%	590	11.8%	690	13.8%	750	15.0%	750	15.0%
65,000	217	4.0%	260	4.8%	287	5.3%	314	5.8%	368	6.8%	423	7.8%	477	8.8%	531	9.8%	639	11.8%	748	13.8%	813	15.0%	813	15.0%
70,000	217	3.7%	280	4.8%	309	5.3%	338	5.8%	397	6.8%	455	7.8%	513	8.8%	572	9.8%	688	11.8%	805	13.8%	875	15.0%	875	15.0%
75,000	217	3.5%	300	4.8%	331	5.3%	363	5.8%	425	6.8%	488	7.8%	550	8.8%	613	9.8%	738	11.8%	863	13.8%	938	15.0%	938	15.0%
80,000	217	3.3%	320	4.8%	353	5.3%	387	5.8%	453	6.8%	520	7.8%	587	8.8%	653	9.8%	787	11.8%	920	13.8%	1,000	15.0%	1,000	15.0%
85,000	217	3.1%	340	4.8%	375	5.3%	411	5.8%	482	6.8%	553	7.8%	623	8.8%	694	9.8%	836	11.8%	978	13.8%	1,063	15.0%	1,063	15.0%
90,000	217	2.9%	360	4.8%	398	5.3%	435	5.8%	510	6.8%	585	7.8%	660	8.8%	735	9.8%	885	11.8%	1,035	13.8%	1,125	15.0%	1,125	15.0%
95,000	217	2.7%	380	4.8%	420	5.3%	459	5.8%	538	6.8%	618	7.8%	697	8.8%	776	9.8%	934	11.8%	1,093	13.8%	1,188	15.0%	1,188	15.0%
100,000	217	2.6%	400	4.8%	442	5.3%	483	5.8%	567	6.8%	650	7.8%	733	8.8%	817	9.8%	983	11.8%	1,150	13.8%	1,250	15.0%	1,250	15.0%

Income Contingent Repayment Plan -- Recommended

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

Income	Initial Debt																							
	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12,500	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
15,000	54	60	66	73	79	85	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
17,500	63	70	77	85	92	99	106	114	121	128	128	128	128	128	128	128	128	128	128	128	128	128	128	128
20,000	72	80	88	97	105	113	122	130	138	147	163	169	169	169	169	169	169	169	169	169	169	169	169	169
22,500	81	90	99	109	118	128	137	146	156	165	184	203	211	211	211	211	211	211	211	211	211	211	211	211
25,000	90	100	110	121	131	142	152	163	173	183	204	225	246	253	253	253	253	253	253	253	253	253	253	253
30,000	108	120	133	145	158	170	183	195	208	220	245	270	295	320	336	336	336	336	336	336	336	336	336	336
35,000	125	140	155	169	184	198	213	228	242	257	286	315	344	373	403	419	419	419	419	419	419	419	419	419
40,000	143	160	177	193	210	227	243	260	277	293	327	360	393	427	460	493	500	500	500	500	500	500	500	500
45,000	161	180	199	218	236	255	274	293	311	330	368	405	443	480	518	555	563	563	563	563	563	563	563	563
50,000	179	200	221	242	263	283	304	325	346	367	408	450	492	533	575	617	625	625	625	625	625	625	625	625
55,000	197	220	243	266	289	312	335	358	380	403	449	495	541	587	633	678	688	688	688	688	688	688	688	688
60,000	215	240	265	290	315	340	365	390	415	440	490	540	590	640	690	740	750	750	750	750	750	750	750	750
65,000	217	260	287	314	341	368	395	423	450	477	531	585	639	693	748	802	813	813	813	813	813	813	813	813
70,000	217	280	309	338	368	397	426	455	484	513	572	630	688	747	805	863	875	875	875	875	875	875	875	875
75,000	217	300	331	363	394	425	456	488	519	550	613	675	738	800	863	925	938	938	938	938	938	938	938	938
80,000	217	320	353	387	420	453	487	520	553	587	653	720	787	853	920	987	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
85,000	217	340	375	411	446	482	517	553	588	623	694	765	836	907	978	1,048	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
90,000	217	360	398	435	473	510	548	585	623	660	735	810	885	960	1,035	1,110	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
95,000	217	380	420	459	499	538	578	618	657	697	776	855	934	1,013	1,093	1,172	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
100,000	217	400	442	483	525	567	608	650	692	733	817	900	983	1,067	1,150	1,233	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The blue figures represent those payment cells for which the income contingent formula calculation exceeds the "Option 2" 12-year amount.

Note: The red figures represent payment amounts that are less under this plan compared to the NPRM, but the reverse holds for all other non-zero cells due to the NPRM $7 payment offset.

14-Nov-94

Income Contingent Repayment Plan -- Recommended

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000		$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
10,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
12,500	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%
15,000	54	4.3%	60	4.8%	66	5.3%	73	5.8%	85	6.8%	86	6.9%	86	6.9%	86	6.9%	86	6.9%	86	6.9%	86	6.9%	86	6.9%
17,500	63	4.3%	70	4.8%	77	5.3%	85	5.8%	99	6.8%	114	7.8%	128	8.8%	128	8.8%	128	8.8%	128	8.8%	128	8.8%	128	8.8%
20,000	72	4.3%	80	4.8%	88	5.3%	97	5.8%	113	6.8%	130	7.8%	147	8.8%	163	9.8%	169	10.2%	169	10.2%	169	10.2%	169	10.2%
22,500	81	4.3%	90	4.8%	99	5.3%	109	5.8%	128	6.8%	146	7.8%	165	8.8%	184	9.8%	211	11.3%	211	11.3%	211	11.3%	211	11.3%
25,000	90	4.3%	100	4.8%	110	5.3%	121	5.8%	142	6.8%	163	7.8%	183	8.8%	204	9.8%	246	11.8%	253	12.1%	253	12.1%	253	12.1%
30,000	108	4.3%	120	4.8%	133	5.3%	145	5.8%	170	6.8%	195	7.8%	220	8.8%	245	9.8%	295	11.8%	336	13.4%	336	13.4%	336	13.4%
35,000	125	4.3%	140	4.8%	155	5.3%	169	5.8%	198	6.8%	228	7.8%	257	8.8%	286	9.8%	344	11.8%	403	13.8%	419	14.4%	419	14.4%
40,000	143	4.3%	160	4.8%	177	5.3%	193	5.8%	227	6.8%	260	7.8%	293	8.8%	327	9.8%	393	11.8%	460	13.8%	500	15.0%	500	15.0%
45,000	161	4.3%	180	4.8%	199	5.3%	218	5.8%	255	6.8%	293	7.8%	330	8.8%	368	9.8%	443	11.8%	518	13.8%	563	15.0%	563	15.0%
50,000	179	4.3%	200	4.8%	221	5.3%	242	5.8%	283	6.8%	325	7.8%	367	8.8%	408	9.8%	492	11.8%	575	13.8%	625	15.0%	625	15.0%
55,000	197	4.3%	220	4.8%	243	5.3%	266	5.8%	312	6.8%	358	7.8%	403	8.8%	449	9.8%	541	11.8%	633	13.8%	688	15.0%	688	15.0%
60,000	215	4.3%	240	4.8%	265	5.3%	290	5.8%	340	6.8%	390	7.8%	440	8.8%	490	9.8%	590	11.8%	690	13.8%	750	15.0%	750	15.0%
65,000	217	4.0%	260	4.8%	287	5.3%	314	5.8%	368	6.8%	423	7.8%	477	8.8%	531	9.8%	639	11.8%	748	13.8%	813	15.0%	813	15.0%
70,000	217	3.7%	280	4.8%	309	5.3%	338	5.8%	397	6.8%	455	7.8%	513	8.8%	572	9.8%	688	11.8%	805	13.8%	875	15.0%	875	15.0%
75,000	217	3.5%	300	4.8%	331	5.3%	363	5.8%	425	6.8%	488	7.8%	550	8.8%	613	9.8%	738	11.8%	863	13.8%	938	15.0%	938	15.0%
80,000	217	3.3%	320	4.8%	353	5.3%	387	5.8%	453	6.8%	520	7.8%	587	8.8%	653	9.8%	787	11.8%	920	13.8%	1,000	15.0%	1,000	15.0%
85,000	217	3.1%	340	4.8%	375	5.3%	411	5.8%	482	6.8%	553	7.8%	623	8.8%	694	9.8%	836	11.8%	978	13.8%	1,063	15.0%	1,063	15.0%
90,000	217	2.9%	360	4.8%	398	5.3%	435	5.8%	510	6.8%	585	7.8%	660	8.8%	735	9.8%	885	11.8%	1,035	13.8%	1,125	15.0%	1,125	15.0%
95,000	217	2.7%	380	4.8%	420	5.3%	459	5.8%	538	6.8%	618	7.8%	697	8.8%	776	9.8%	934	11.8%	1,093	13.8%	1,188	15.0%	1,188	15.0%
100,000	217	2.6%	400	4.8%	442	5.3%	483	5.8%	567	6.8%	650	7.8%	733	8.8%	817	9.8%	983	11.8%	1,150	13.8%	1,250	15.0%	1,250	15.0%

Income Contingent Repayment Plan -- Recommended with Alternative Estimation Assumptions

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																						
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9,000	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27
10,000	36	40	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
12,500	45	50	55	60	66	71	76	81	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
15,000	54	60	66	73	79	85	91	98	104	110	123	127	127	127	127	127	127	127	127	127	127	127	127	127
17,500	63	70	77	85	92	99	106	114	121	128	143	158	169	169	169	169	169	169	169	169	169	169	169	169
20,000	72	80	88	97	105	113	122	130	138	147	163	180	197	211	211	211	211	211	211	211	211	211	211	211
22,500	81	90	99	109	118	128	137	146	156	165	184	203	221	240	252	252	252	252	252	252	252	252	252	252
25,000	90	100	110	121	131	142	152	163	173	183	204	225	246	267	288	294	294	294	294	294	294	294	294	294
30,000	108	120	133	145	158	170	183	195	208	220	245	270	295	320	345	370	375	375	375	375	375	375	375	375
35,000	125	140	155	169	184	198	213	228	242	257	286	315	344	373	403	432	438	438	438	438	438	438	438	438
40,000	143	160	177	193	210	227	243	260	277	293	327	360	393	427	460	493	500	500	500	500	500	500	500	500
45,000	161	180	199	218	236	255	274	293	311	330	368	405	443	480	518	555	563	563	563	563	563	563	563	563
50,000	179	200	221	242	263	283	304	325	346	367	408	450	492	533	575	617	625	625	625	625	625	625	625	625
55,000	197	220	243	266	289	312	335	358	380	403	449	495	541	587	633	678	688	688	688	688	688	688	688	688
60,000	215	240	265	290	315	340	365	390	415	440	490	540	590	640	690	740	750	750	750	750	750	750	750	750
65,000	217	260	287	314	341	368	395	423	450	477	531	585	639	693	748	802	813	813	813	813	813	813	813	813
70,000	217	280	309	338	368	397	426	455	484	513	572	630	688	747	805	863	875	875	875	875	875	875	875	875
75,000	217	300	331	363	394	425	456	488	519	550	613	675	738	800	863	925	938	938	938	938	938	938	938	938
80,000	217	320	353	387	420	453	487	520	553	587	653	720	787	853	920	987	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
85,000	217	340	375	411	446	482	517	553	588	623	694	765	836	907	978	1,048	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
90,000	217	360	398	435	473	510	548	585	623	660	735	810	885	960	1,035	1,110	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
95,000	217	380	420	459	499	538	578	618	657	697	776	855	934	1,013	1,093	1,172	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
100,000	217	400	442	483	525	567	608	650	692	733	817	900	983	1,067	1,150	1,233	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																						
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The blue figures represent those payment cells for which the income contingent formula calculation exceeds the "Option 2" 12-year amount.
Note: The red figures represent payment amounts that are less under this plan compared to the NPRM.
Note: The alternative estimation assumptions, reflecting a representative cross-section of borrowers choosing income contingent repayment, do not affect the repayment tables.

14-Nov-94

Income Contingent Repayment Plan -- Recommended with Alternative Estimation Assumptions

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000		$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%
10,000	36	4.3%	40	4.8%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%
12,500	45	4.3%	50	4.8%	55	5.3%	60	5.8%	71	6.8%	81	7.8%	86	8.2%	86	8.2%	86	8.2%	86	8.2%	86	8.2%	86	8.2%
15,000	54	4.3%	60	4.8%	66	5.3%	73	5.8%	85	6.8%	98	7.8%	110	8.8%	123	9.8%	127	10.2%	127	10.2%	127	10.2%	127	10.2%
17,500	63	4.3%	70	4.8%	77	5.3%	85	5.8%	99	6.8%	114	7.8%	128	8.8%	143	9.8%	169	11.6%	169	11.6%	169	11.6%	169	11.6%
20,000	72	4.3%	80	4.8%	88	5.3%	97	5.8%	113	6.8%	130	7.8%	147	8.8%	163	9.8%	197	11.8%	211	12.6%	211	12.6%	211	12.6%
22,500	81	4.3%	90	4.8%	99	5.3%	109	5.8%	128	6.8%	146	7.8%	165	8.8%	184	9.8%	221	11.8%	252	13.5%	252	13.5%	252	13.5%
25,000	90	4.3%	100	4.8%	110	5.3%	121	5.8%	142	6.8%	163	7.8%	183	8.8%	204	9.8%	246	11.8%	288	13.8%	294	14.1%	294	14.1%
30,000	108	4.3%	120	4.8%	133	5.3%	145	5.8%	170	6.8%	195	7.8%	220	8.8%	245	9.8%	295	11.8%	345	13.8%	375	15.0%	375	15.0%
35,000	125	4.3%	140	4.8%	155	5.3%	169	5.8%	198	6.8%	228	7.8%	257	8.8%	286	9.8%	344	11.8%	403	13.8%	438	15.0%	438	15.0%
40,000	143	4.3%	160	4.8%	177	5.3%	193	5.8%	227	6.8%	260	7.8%	293	8.8%	327	9.8%	393	11.8%	460	13.8%	500	15.0%	500	15.0%
45,000	161	4.3%	180	4.8%	199	5.3%	218	5.8%	255	6.8%	293	7.8%	330	8.8%	368	9.8%	443	11.8%	518	13.8%	563	15.0%	563	15.0%
50,000	179	4.3%	200	4.8%	221	5.3%	242	5.8%	283	6.8%	325	7.8%	367	8.8%	408	9.8%	492	11.8%	575	13.8%	625	15.0%	625	15.0%
55,000	197	4.3%	220	4.8%	243	5.3%	266	5.8%	312	6.8%	358	7.8%	403	8.8%	449	9.8%	541	11.8%	633	13.8%	688	15.0%	688	15.0%
60,000	215	4.3%	240	4.8%	265	5.3%	290	5.8%	340	6.8%	390	7.8%	440	8.8%	490	9.8%	590	11.8%	690	13.8%	750	15.0%	750	15.0%
65,000	217	4.0%	260	4.8%	287	5.3%	314	5.8%	368	6.8%	423	7.8%	477	8.8%	531	9.8%	639	11.8%	748	13.8%	813	15.0%	813	15.0%
70,000	217	3.7%	280	4.8%	309	5.3%	338	5.8%	397	6.8%	455	7.8%	513	8.8%	572	9.8%	688	11.8%	805	13.8%	875	15.0%	875	15.0%
75,000	217	3.5%	300	4.8%	331	5.3%	363	5.8%	425	6.8%	488	7.8%	550	8.8%	613	9.8%	738	11.8%	863	13.8%	938	15.0%	938	15.0%
80,000	217	3.3%	320	4.8%	353	5.3%	387	5.8%	453	6.8%	520	7.8%	587	8.8%	653	9.8%	787	11.8%	920	13.8%	1,000	15.0%	1,000	15.0%
85,000	217	3.1%	340	4.8%	375	5.3%	411	5.8%	482	6.8%	553	7.8%	623	8.8%	694	9.8%	836	11.8%	978	13.8%	1,063	15.0%	1,063	15.0%
90,000	217	2.9%	360	4.8%	398	5.3%	435	5.8%	510	6.8%	585	7.8%	660	8.8%	735	9.8%	885	11.8%	1,035	13.8%	1,125	15.0%	1,125	15.0%
95,000	217	2.7%	380	4.8%	420	5.3%	459	5.8%	538	6.8%	618	7.8%	697	8.8%	776	9.8%	934	11.8%	1,093	13.8%	1,188	15.0%	1,188	15.0%
100,000	217	2.6%	400	4.8%	442	5.3%	483	5.8%	567	6.8%	650	7.8%	733	8.8%	817	9.8%	983	11.8%	1,150	13.8%	1,250	15.0%	1,250	15.0%

Note: The alternative estimation assumptions, reflecting a representative cross-section of borrowers choosing income contingent repayment, do not affect the repayment tables.

Income Contingent Repayment Plan -- Recommended with Alternative Estimation Assumptions

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12,500	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
15,000	54	60	66	73	79	85	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
17,500	63	70	77	85	92	99	106	114	121	128	128	128	128	128	128	128	128	128	128	128	128	128	128	128
20,000	72	80	88	97	105	113	122	130	138	147	163	169	169	169	169	169	169	169	169	169	169	169	169	169
22,500	81	90	99	109	118	128	137	146	156	165	184	203	211	211	211	211	211	211	211	211	211	211	211	211
25,000	90	100	110	121	131	142	152	163	173	183	204	225	246	253	253	253	253	253	253	253	253	253	253	253
30,000	108	120	133	145	158	170	183	195	208	220	245	270	295	320	336	336	336	336	336	336	336	336	336	336
35,000	125	140	155	169	184	198	213	228	242	257	286	315	344	373	403	419	419	419	419	419	419	419	419	419
40,000	143	160	177	193	210	227	243	260	277	293	327	360	393	427	460	493	500	500	500	500	500	500	500	500
45,000	161	180	199	218	236	255	274	293	311	330	368	405	443	480	518	555	563	563	563	563	563	563	563	563
50,000	179	200	221	242	263	283	304	325	346	367	408	450	492	533	575	617	625	625	625	625	625	625	625	625
55,000	197	220	243	266	289	312	335	358	380	403	449	495	541	587	633	678	688	688	688	688	688	688	688	688
60,000	215	240	265	290	315	340	365	390	415	440	490	540	590	640	690	740	750	750	750	750	750	750	750	750
65,000	217	260	287	314	341	368	395	423	450	477	531	585	639	693	748	802	813	813	813	813	813	813	813	813
70,000	217	280	309	338	368	397	426	455	484	513	572	630	688	747	805	863	875	875	875	875	875	875	875	875
75,000	217	300	331	363	394	425	456	488	519	550	613	675	738	800	863	925	938	938	938	938	938	938	938	938
80,000	217	320	353	387	420	453	487	520	553	587	653	720	787	853	920	987	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
85,000	217	340	375	411	446	482	517	553	588	623	694	765	836	907	978	1,048	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
90,000	217	360	398	435	473	510	548	585	623	660	735	810	885	960	1,035	1,110	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
95,000	217	380	420	459	499	538	578	618	657	697	776	855	934	1,013	1,093	1,172	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
100,000	217	400	442	483	525	567	608	650	692	733	817	900	983	1,067	1,150	1,233	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The blue figures represent those payment cells for which the income contingent formula calculation exceeds the "Option 2" 12-year amount.

Note: The red figures represent payment amounts that are less under this plan compared to the NPRM, but the reverse holds for all other non-zero cells due to the NPRM $7 payment offset.

Note: The alternative estimation assumptions, reflecting a representative cross-section of borrowers choosing income contingent repayment, do not affect the repayment tables.

14-Nov-94

Income Contingent Repayment Plan -- Recommended with Alternative Estimation Assumptions

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000		$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
10,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
12,500	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%
15,000	54	4.3%	60	4.8%	66	5.3%	73	5.8%	85	6.8%	86	6.9%	86	6.9%	86	6.9%	86	6.9%	86	6.9%	86	6.9%	86	6.9%
17,500	63	4.3%	70	4.8%	77	5.3%	85	5.8%	99	6.8%	114	7.8%	128	8.8%	128	8.8%	128	8.8%	128	8.8%	128	8.8%	128	8.8%
20,000	72	4.3%	80	4.8%	88	5.3%	97	5.8%	113	6.8%	130	7.8%	147	8.8%	163	9.8%	169	10.2%	169	10.2%	169	10.2%	169	10.2%
22,500	81	4.3%	90	4.8%	99	5.3%	109	5.8%	128	6.8%	146	7.8%	165	8.8%	184	9.8%	211	11.3%	211	11.3%	211	11.3%	211	11.3%
25,000	90	4.3%	100	4.8%	110	5.3%	121	5.8%	142	6.8%	163	7.8%	183	8.8%	204	9.8%	246	11.8%	253	12.1%	253	12.1%	253	12.1%
30,000	108	4.3%	120	4.8%	133	5.3%	145	5.8%	170	6.8%	195	7.8%	220	8.8%	245	9.8%	295	11.8%	336	13.4%	336	13.4%	336	13.4%
35,000	125	4.3%	140	4.8%	155	5.3%	169	5.8%	198	6.8%	228	7.8%	257	8.8%	286	9.8%	344	11.8%	403	13.8%	419	14.4%	419	14.4%
40,000	143	4.3%	160	4.8%	177	5.3%	193	5.8%	227	6.8%	260	7.8%	293	8.8%	327	9.8%	393	11.8%	460	13.8%	500	15.0%	500	15.0%
45,000	161	4.3%	180	4.8%	199	5.3%	218	5.8%	255	6.8%	293	7.8%	330	8.8%	368	9.8%	443	11.8%	518	13.8%	563	15.0%	563	15.0%
50,000	179	4.3%	200	4.8%	221	5.3%	242	5.8%	283	6.8%	325	7.8%	367	8.8%	408	9.8%	492	11.8%	575	13.8%	625	15.0%	625	15.0%
55,000	197	4.3%	220	4.8%	243	5.3%	266	5.8%	312	6.8%	358	7.8%	403	8.8%	449	9.8%	541	11.8%	633	13.8%	688	15.0%	688	15.0%
60,000	215	4.3%	240	4.8%	265	5.3%	290	5.8%	340	6.8%	390	7.8%	440	8.8%	490	9.8%	590	11.8%	690	13.8%	750	15.0%	750	15.0%
65,000	217	4.0%	260	4.8%	287	5.3%	314	5.8%	368	6.8%	423	7.8%	477	8.8%	531	9.8%	639	11.8%	748	13.8%	813	15.0%	813	15.0%
70,000	217	3.7%	280	4.8%	309	5.3%	338	5.8%	397	6.8%	455	7.8%	513	8.8%	572	9.8%	688	11.8%	805	13.8%	875	15.0%	875	15.0%
75,000	217	3.5%	300	4.8%	331	5.3%	363	5.8%	425	6.8%	488	7.8%	550	8.8%	613	9.8%	738	11.8%	863	13.8%	938	15.0%	938	15.0%
80,000	217	3.3%	320	4.8%	353	5.3%	387	5.8%	453	6.8%	520	7.8%	587	8.8%	653	9.8%	787	11.8%	920	13.8%	1,000	15.0%	1,000	15.0%
85,000	217	3.1%	340	4.8%	375	5.3%	411	5.8%	482	6.8%	553	7.8%	623	8.8%	694	9.8%	836	11.8%	978	13.8%	1,063	15.0%	1,063	15.0%
90,000	217	2.9%	360	4.8%	398	5.3%	435	5.8%	510	6.8%	585	7.8%	660	8.8%	735	9.8%	885	11.8%	1,035	13.8%	1,125	15.0%	1,125	15.0%
95,000	217	2.7%	380	4.8%	420	5.3%	459	5.8%	538	6.8%	618	7.8%	697	8.8%	776	9.8%	934	11.8%	1,093	13.8%	1,188	15.0%	1,188	15.0%
100,000	217	2.6%	400	4.8%	442	5.3%	483	5.8%	567	6.8%	650	7.8%	733	8.8%	817	9.8%	983	11.8%	1,150	13.8%	1,250	15.0%	1,250	15.0%

Note: The alternative estimation assumptions, reflecting a representative cross-section of borrowers choosing income contingent repayment, do not affect the repayment tables.

Income Contingent Repayment Plan -- Option A

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9,000	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27
10,000	36	40	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
12,500	45	50	55	60	66	71	76	81	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
15,000	54	60	66	73	79	85	91	98	104	110	123	127	127	127	127	127	127	127	127	127	127	127	127	127
17,500	63	70	77	85	92	99	106	114	121	128	143	158	169	169	169	169	169	169	169	169	169	169	169	169
20,000	72	80	88	97	105	113	122	130	138	147	163	180	197	211	211	211	211	211	211	211	211	211	211	211
22,500	81	90	99	109	118	128	137	146	156	165	184	203	221	240	252	252	252	252	252	252	252	252	252	252
25,000	90	100	110	121	131	142	152	163	173	183	204	225	246	267	288	294	294	294	294	294	294	294	294	294
30,000	108	120	133	145	158	170	183	195	208	220	245	270	295	320	345	370	375	375	375	375	375	375	375	375
35,000	125	140	155	169	184	198	213	228	242	257	286	315	344	373	403	432	438	438	438	438	438	438	438	438
40,000	143	160	177	193	210	227	243	260	277	293	327	360	393	427	460	493	500	500	500	500	500	500	500	500
45,000	161	180	199	218	236	255	274	293	311	330	368	405	443	480	518	555	563	563	563	563	563	563	563	563
50,000	179	200	221	242	263	283	304	325	346	367	408	450	492	533	575	617	625	625	625	625	625	625	625	625
55,000	197	220	243	266	289	312	335	358	380	403	449	495	541	587	633	678	688	688	688	688	688	688	688	688
60,000	215	240	265	290	315	340	365	390	415	440	490	540	590	640	690	740	750	750	750	750	750	750	750	750
65,000	217	260	287	314	341	368	395	423	450	477	531	585	639	693	748	802	813	813	813	813	813	813	813	813
70,000	217	280	309	338	368	397	426	455	484	513	572	630	688	747	805	863	875	875	875	875	875	875	875	875
75,000	217	300	331	363	394	425	456	488	519	550	613	675	738	800	863	925	938	938	938	938	938	938	938	938
80,000	217	320	353	387	420	453	487	520	553	587	653	720	787	853	920	987	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
85,000	217	340	375	411	446	482	517	553	588	623	694	765	836	907	978	1,048	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
90,000	217	360	398	435	473	510	548	585	623	660	735	810	885	960	1,035	1,110	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
95,000	217	380	420	459	499	538	578	618	657	697	776	855	934	1,013	1,093	1,172	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
100,000	217	400	442	483	525	567	608	650	692	733	817	900	983	1,067	1,150	1,233	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The blue figures represent those payment cells for which the income contingent formula calculation exceeds the "Option 2" 12-year amount.
Note: The red figures represent payment amounts that are less under this plan compared to the NPRM.
Note: Recommended plan but no interest capitalization. Thus, this repayment table is identical to that for the recommended plan since it reflects only the first year of repayment.

14-Nov-94

Income Contingent Repayment Plan -- Option A

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000		$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%	27	3.6%
10,000	36	4.3%	40	4.8%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%	44	5.3%
12,500	45	4.3%	50	4.8%	55	5.3%	60	5.8%	71	6.8%	81	7.8%	86	8.2%	86	8.2%	86	8.2%	86	8.2%	86	8.2%	86	8.2%
15,000	54	4.3%	60	4.8%	66	5.3%	73	5.8%	85	6.8%	98	7.8%	110	8.8%	123	9.8%	127	10.2%	127	10.2%	127	10.2%	127	10.2%
17,500	63	4.3%	70	4.8%	77	5.3%	85	5.8%	99	6.8%	114	7.8%	128	8.8%	143	9.8%	169	11.6%	169	11.6%	169	11.6%	169	11.6%
20,000	72	4.3%	80	4.8%	88	5.3%	97	5.8%	113	6.8%	130	7.8%	147	8.8%	163	9.8%	197	11.8%	211	12.6%	211	12.6%	211	12.6%
22,500	81	4.3%	90	4.8%	99	5.3%	109	5.8%	128	6.8%	146	7.8%	165	8.8%	184	9.8%	221	11.8%	252	13.5%	252	13.5%	252	13.5%
25,000	90	4.3%	100	4.8%	110	5.3%	121	5.8%	142	6.8%	163	7.8%	183	8.8%	204	9.8%	246	11.8%	288	13.8%	294	14.1%	294	14.1%
30,000	108	4.3%	120	4.8%	133	5.3%	145	5.8%	170	6.8%	195	7.8%	220	8.8%	245	9.8%	295	11.8%	345	13.8%	375	15.0%	375	15.0%
35,000	125	4.3%	140	4.8%	155	5.3%	169	5.8%	198	6.8%	228	7.8%	257	8.8%	286	9.8%	344	11.8%	403	13.8%	438	15.0%	438	15.0%
40,000	143	4.3%	160	4.8%	177	5.3%	193	5.8%	227	6.8%	260	7.8%	293	8.8%	327	9.8%	393	11.8%	460	13.8%	500	15.0%	500	15.0%
45,000	161	4.3%	180	4.8%	199	5.3%	218	5.8%	255	6.8%	293	7.8%	330	8.8%	368	9.8%	443	11.8%	518	13.8%	563	15.0%	563	15.0%
50,000	179	4.3%	200	4.8%	221	5.3%	242	5.8%	283	6.8%	325	7.8%	367	8.8%	408	9.8%	492	11.8%	575	13.8%	625	15.0%	625	15.0%
55,000	197	4.3%	220	4.8%	243	5.3%	266	5.8%	312	6.8%	358	7.8%	403	8.8%	449	9.8%	541	11.8%	633	13.8%	688	15.0%	688	15.0%
60,000	215	4.3%	240	4.8%	265	5.3%	290	5.8%	340	6.8%	390	7.8%	440	8.8%	490	9.8%	590	11.8%	690	13.8%	750	15.0%	750	15.0%
65,000	217	4.0%	260	4.8%	287	5.3%	314	5.8%	368	6.8%	423	7.8%	477	8.8%	531	9.8%	639	11.8%	748	13.8%	813	15.0%	813	15.0%
70,000	217	3.7%	280	4.8%	309	5.3%	338	5.8%	397	6.8%	455	7.8%	513	8.8%	572	9.8%	688	11.8%	805	13.8%	875	15.0%	875	15.0%
75,000	217	3.5%	300	4.8%	331	5.3%	363	5.8%	425	6.8%	488	7.8%	550	8.8%	613	9.8%	738	11.8%	863	13.8%	938	15.0%	938	15.0%
80,000	217	3.3%	320	4.8%	353	5.3%	387	5.8%	453	6.8%	520	7.8%	587	8.8%	653	9.8%	787	11.8%	920	13.8%	1,000	15.0%	1,000	15.0%
85,000	217	3.1%	340	4.8%	375	5.3%	411	5.8%	482	6.8%	553	7.8%	623	8.8%	694	9.8%	836	11.8%	978	13.8%	1,063	15.0%	1,063	15.0%
90,000	217	2.9%	360	4.8%	398	5.3%	435	5.8%	510	6.8%	585	7.8%	660	8.8%	735	9.8%	885	11.8%	1,035	13.8%	1,125	15.0%	1,125	15.0%
95,000	217	2.7%	380	4.8%	420	5.3%	459	5.8%	538	6.8%	618	7.8%	697	8.8%	776	9.8%	934	11.8%	1,093	13.8%	1,188	15.0%	1,188	15.0%
100,000	217	2.6%	400	4.8%	442	5.3%	483	5.8%	567	6.8%	650	7.8%	733	8.8%	817	9.8%	983	11.8%	1,150	13.8%	1,250	15.0%	1,250	15.0%

Note: Recommended plan but with no interest capitalization. Thus, this repayment table is identical to that for the recommended plan since it reflects only the first year of repayment.

Income Contingent Repayment Plan -- Option A

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12,500	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
15,000	54	60	66	73	79	85	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
17,500	63	70	77	85	92	99	106	114	121	128	128	128	128	128	128	128	128	128	128	128	128	128	128	128
20,000	72	80	88	97	105	113	122	130	138	147	163	169	169	169	169	169	169	169	169	169	169	169	169	169
22,500	81	90	99	109	118	128	137	146	156	165	184	203	211	211	211	211	211	211	211	211	211	211	211	211
25,000	90	100	110	121	131	142	152	163	173	183	204	225	246	253	253	253	253	253	253	253	253	253	253	253
30,000	108	120	133	145	158	170	183	195	208	220	245	270	295	320	336	336	336	336	336	336	336	336	336	336
35,000	125	140	155	169	184	198	213	228	242	257	286	315	344	373	403	419	419	419	419	419	419	419	419	419
40,000	143	160	177	193	210	227	243	260	277	293	327	360	393	427	460	493	500	500	500	500	500	500	500	500
45,000	161	180	199	218	236	255	274	293	311	330	368	405	443	480	518	555	563	563	563	563	563	563	563	563
50,000	179	200	221	242	263	283	304	325	346	367	408	450	492	533	575	617	625	625	625	625	625	625	625	625
55,000	197	220	243	266	289	312	335	358	380	403	449	495	541	587	633	678	688	688	688	688	688	688	688	688
60,000	215	240	265	290	315	340	365	390	415	440	490	540	590	640	690	740	750	750	750	750	750	750	750	750
65,000	217	260	287	314	341	368	395	423	450	477	531	585	639	693	748	802	813	813	813	813	813	813	813	813
70,000	217	280	309	338	368	397	426	455	484	513	572	630	688	747	805	863	875	875	875	875	875	875	875	875
75,000	217	300	331	363	394	425	456	488	519	550	613	675	738	800	863	925	938	938	938	938	938	938	938	938
80,000	217	320	353	387	420	453	487	520	553	587	653	720	787	853	920	987	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
85,000	217	340	375	411	446	482	517	553	588	623	694	765	836	907	978	1,048	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
90,000	217	360	398	435	473	510	548	585	623	660	735	810	885	960	1,035	1,110	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
95,000	217	380	420	459	499	538	578	618	657	697	776	855	934	1,013	1,093	1,172	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
100,000	217	400	442	483	525	567	608	650	692	733	817	900	983	1,067	1,150	1,233	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The blue figures represent those payment cells for which the income contingent formula calculation exceeds the "Option 2" 12-year amount.
Note: The red figures represent payment amounts that are less under this plan compared to the NPRM, but the reverse holds for all other non-zero cells due to the NPRM $7 payment offset.
Note: Recommended plan but no interest capitalization. Thus, this repayment table is identical to that for the recommended plan since it reflects only the first year of repayment.

14-Nov-94

Income Contingent Repayment Plan -- Option A

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt											
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
10,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
12,500	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%
15,000	54	4.3%	60	4.8%	66	5.3%	73	5.8%	85	6.8%	86	6.9%
17,500	63	4.3%	70	4.8%	77	5.3%	85	5.8%	99	6.8%	114	7.8%
20,000	72	4.3%	80	4.8%	88	5.3%	97	5.8%	113	6.8%	130	7.8%
22,500	81	4.3%	90	4.8%	99	5.3%	109	5.8%	128	6.8%	146	7.8%
25,000	90	4.3%	100	4.8%	110	5.3%	121	5.8%	142	6.8%	163	7.8%
30,000	108	4.3%	120	4.8%	133	5.3%	145	5.8%	170	6.8%	195	7.8%
35,000	125	4.3%	140	4.8%	155	5.3%	169	5.8%	198	6.8%	228	7.8%
40,000	143	4.3%	160	4.8%	177	5.3%	193	5.8%	227	6.8%	260	7.8%
45,000	161	4.3%	180	4.8%	199	5.3%	218	5.8%	255	6.8%	293	7.8%
50,000	179	4.3%	200	4.8%	221	5.3%	242	5.8%	283	6.8%	325	7.8%
55,000	197	4.3%	220	4.8%	243	5.3%	266	5.8%	312	6.8%	358	7.8%
60,000	215	4.3%	240	4.8%	265	5.3%	290	5.8%	340	6.8%	390	7.8%
65,000	217	4.0%	260	4.8%	287	5.3%	314	5.8%	368	6.8%	423	7.8%
70,000	217	3.7%	280	4.8%	309	5.3%	338	5.8%	397	6.8%	455	7.8%
75,000	217	3.5%	300	4.8%	331	5.3%	363	5.8%	425	6.8%	488	7.8%
80,000	217	3.3%	320	4.8%	353	5.3%	387	5.8%	453	6.8%	520	7.8%
85,000	217	3.1%	340	4.8%	375	5.3%	411	5.8%	482	6.8%	553	7.8%
90,000	217	2.9%	360	4.8%	398	5.3%	435	5.8%	510	6.8%	585	7.8%
95,000	217	2.7%	380	4.8%	420	5.3%	459	5.8%	538	6.8%	618	7.8%
100,000	217	2.6%	400	4.8%	442	5.3%	483	5.8%	567	6.8%	650	7.8%

	Initial Debt											
Income	$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
10,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
12,500	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%	44	4.3%
15,000	86	6.9%	86	6.9%	86	6.9%	86	6.9%	86	6.9%	86	6.9%
17,500	128	8.8%	128	8.8%	128	8.8%	128	8.8%	128	8.8%	128	8.8%
20,000	147	8.8%	163	9.8%	169	10.2%	169	10.2%	169	10.2%	169	10.2%
22,500	165	8.8%	184	9.8%	211	11.3%	211	11.3%	211	11.3%	211	11.3%
25,000	183	8.8%	204	9.8%	246	11.8%	253	12.1%	253	12.1%	253	12.1%
30,000	220	8.8%	245	9.8%	295	11.8%	336	13.4%	336	13.4%	336	13.4%
35,000	257	8.8%	286	9.8%	344	11.8%	403	13.8%	419	14.4%	419	14.4%
40,000	293	8.8%	327	9.8%	393	11.8%	460	13.8%	500	15.0%	500	15.0%
45,000	330	8.8%	368	9.8%	443	11.8%	518	13.8%	563	15.0%	563	15.0%
50,000	367	8.8%	408	9.8%	492	11.8%	575	13.8%	625	15.0%	625	15.0%
55,000	403	8.8%	449	9.8%	541	11.8%	633	13.8%	688	15.0%	688	15.0%
60,000	440	8.8%	490	9.8%	590	11.8%	690	13.8%	750	15.0%	750	15.0%
65,000	477	8.8%	531	9.8%	639	11.8%	748	13.8%	813	15.0%	813	15.0%
70,000	513	8.8%	572	9.8%	688	11.8%	805	13.8%	875	15.0%	875	15.0%
75,000	550	8.8%	613	9.8%	738	11.8%	863	13.8%	938	15.0%	938	15.0%
80,000	587	8.8%	653	9.8%	787	11.8%	920	13.8%	1,000	15.0%	1,000	15.0%
85,000	623	8.8%	694	9.8%	836	11.8%	978	13.8%	1,063	15.0%	1,063	15.0%
90,000	660	8.8%	735	9.8%	885	11.8%	1,035	13.8%	1,125	15.0%	1,125	15.0%
95,000	697	8.8%	776	9.8%	934	11.8%	1,093	13.8%	1,188	15.0%	1,188	15.0%
100,000	733	8.8%	817	9.8%	983	11.8%	1,150	13.8%	1,250	15.0%	1,250	15.0%

Note: Recommended plan but with no interest capitalization. Thus, this repayment table is identical to that for the recommended plan since it reflects only the first year of repayment.

Income Contingent Repayment Plan -- Option B

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9,000	0	0	0	0	0	0	0	0	0	0	0	15	16	17	19	20	21	21	21	21	21	21	21	21
10,000	0	0	0	0	0	15	16	17	18	19	22	24	26	28	30	33	33	33	33	33	33	33	33	33
12,500	18	21	23	25	27	29	31	33	36	38	42	46	51	55	59	63	64	64	64	64	64	64	64	64
15,000	27	31	34	37	40	43	46	50	53	56	62	69	75	81	88	94	96	96	96	96	96	96	96	96
17,500	36	41	45	49	53	57	62	66	70	74	83	91	100	108	117	125	127	127	127	127	127	127	127	127
20,000	45	51	56	61	66	72	77	82	87	93	103	114	124	135	145	156	158	158	158	158	158	158	158	158
22,500	54	61	67	73	79	86	92	98	105	111	124	136	149	161	174	187	189	189	189	189	189	189	189	189
25,000	63	71	78	85	93	100	107	115	122	129	144	159	173	188	203	218	221	221	221	221	221	221	221	221
30,000	81	91	100	109	119	128	138	147	157	166	185	204	223	241	260	279	283	283	283	283	283	283	283	283
35,000	99	111	122	134	145	157	168	180	191	203	226	249	272	295	318	341	346	346	346	346	346	346	346	346
40,000	117	131	144	158	171	185	199	212	226	239	267	294	321	348	375	403	408	408	408	408	408	408	408	408
45,000	135	151	166	182	198	213	229	245	260	276	307	339	370	401	433	464	471	471	471	471	471	471	471	471
50,000	153	171	188	206	224	242	259	277	295	313	348	384	419	455	490	526	533	533	533	533	533	533	533	533
55,000	171	191	210	230	250	270	290	310	330	349	389	429	468	508	548	588	596	596	596	596	596	596	596	596
60,000	189	211	232	254	276	298	320	342	364	386	430	474	518	561	605	649	658	658	658	658	658	658	658	658
65,000	207	231	255	279	303	327	351	375	399	423	471	519	567	615	663	711	721	721	721	721	721	721	721	721
70,000	217	251	277	303	329	355	381	407	433	459	512	564	616	668	720	773	783	783	783	783	783	783	783	783
75,000	217	271	299	327	355	383	411	440	468	496	552	609	665	721	778	834	846	846	846	846	846	846	846	846
80,000	217	291	321	351	381	412	442	472	502	533	593	654	714	775	835	896	908	908	908	908	908	908	908	908
85,000	217	311	343	375	408	440	472	505	537	569	634	699	763	828	893	958	971	971	971	971	971	971	971	971
90,000	217	331	365	399	434	468	503	537	572	606	675	744	813	881	950	1,019	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033
95,000	217	351	387	424	460	497	533	570	606	643	716	789	862	935	1,008	1,081	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
100,000	217	371	409	448	486	525	564	602	641	679	757	834	911	988	1,065	1,143	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The red figures represent payment amounts that are less under this plan compared to the NPRM.
Note: Provides an income offset based on poverty line for all borrowers.

14-Nov-94

Income Contingent Repayment Plan -- Option B

First-Year Monthly Repayment Amounts for a Borrower (Family of 1) at Various Income and Debt Levels

Initial Debt

Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
10,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	15	1.8%	17	2.1%
12,500	18	1.8%	21	2.0%	23	2.2%	25	2.4%	29	2.8%	33	3.2%
15,000	27	2.2%	31	2.4%	34	2.7%	37	3.0%	43	3.5%	50	4.0%
17,500	36	2.5%	41	2.8%	45	3.1%	49	3.4%	57	3.9%	66	4.5%
20,000	45	2.7%	51	3.0%	56	3.3%	61	3.7%	72	4.3%	82	4.9%
22,500	54	2.9%	61	3.2%	67	3.6%	73	3.9%	86	4.6%	98	5.2%
25,000	63	3.0%	71	3.4%	78	3.7%	85	4.1%	100	4.8%	115	5.5%
30,000	81	3.2%	91	3.6%	100	4.0%	109	4.4%	128	5.1%	147	5.9%
35,000	99	3.4%	111	3.8%	122	4.2%	134	4.6%	157	5.4%	180	6.2%
40,000	117	3.5%	131	3.9%	144	4.3%	158	4.7%	185	5.5%	212	6.4%
45,000	135	3.6%	151	4.0%	166	4.4%	182	4.9%	213	5.7%	245	6.5%
50,000	153	3.7%	171	4.1%	188	4.5%	206	4.9%	242	5.8%	277	6.7%
55,000	171	3.7%	191	4.2%	210	4.6%	230	5.0%	270	5.9%	310	6.8%
60,000	189	3.8%	211	4.2%	232	4.6%	254	5.1%	298	6.0%	342	6.8%
65,000	207	3.8%	231	4.3%	255	4.7%	279	5.1%	327	6.0%	375	6.9%
70,000	217	3.7%	251	4.3%	277	4.7%	303	5.2%	355	6.1%	407	7.0%
75,000	217	3.5%	271	4.3%	299	4.8%	327	5.2%	383	6.1%	440	7.0%
80,000	217	3.3%	291	4.4%	321	4.8%	351	5.3%	412	6.2%	472	7.1%
85,000	217	3.1%	311	4.4%	343	4.8%	375	5.3%	440	6.2%	505	7.1%
90,000	217	2.9%	331	4.4%	365	4.9%	399	5.3%	468	6.2%	537	7.2%
95,000	217	2.7%	351	4.4%	387	4.9%	424	5.4%	497	6.3%	570	7.2%
100,000	217	2.6%	371	4.4%	409	4.9%	448	5.4%	525	6.3%	602	7.2%

Income	$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	0	0.0%	0	0.0%	16	2.2%	19	2.5%	21	2.7%	21	2.7%
10,000	19	2.3%	22	2.6%	26	3.1%	30	3.6%	33	4.0%	33	4.0%
12,500	38	3.6%	42	4.0%	51	4.9%	59	5.7%	64	6.2%	64	6.2%
15,000	56	4.5%	62	5.0%	75	6.0%	88	7.0%	96	7.6%	96	7.6%
17,500	74	5.1%	83	5.7%	100	6.8%	117	8.0%	127	8.7%	127	8.7%
20,000	93	5.6%	103	6.2%	124	7.5%	145	8.7%	158	9.5%	158	9.5%
22,500	111	5.9%	124	6.6%	149	7.9%	174	9.3%	189	10.1%	189	10.1%
25,000	129	6.2%	144	6.9%	173	8.3%	203	9.7%	221	10.6%	221	10.6%
30,000	166	6.6%	185	7.4%	223	8.9%	260	10.4%	283	11.3%	283	11.3%
35,000	203	6.9%	226	7.7%	272	9.3%	318	10.9%	346	11.8%	346	11.8%
40,000	239	7.2%	267	8.0%	321	9.6%	375	11.3%	408	12.2%	408	12.2%
45,000	276	7.4%	307	8.2%	370	9.9%	433	11.5%	471	12.5%	471	12.5%
50,000	313	7.5%	348	8.4%	419	10.1%	490	11.8%	533	12.8%	533	12.8%
55,000	349	7.6%	389	8.5%	468	10.2%	548	12.0%	596	13.0%	596	13.0%
60,000	386	7.7%	430	8.6%	518	10.4%	605	12.1%	658	13.2%	658	13.2%
65,000	423	7.8%	471	8.7%	567	10.5%	663	12.2%	721	13.3%	721	13.3%
70,000	459	7.9%	512	8.8%	616	10.6%	720	12.3%	783	13.4%	783	13.4%
75,000	496	7.9%	552	8.8%	665	10.6%	778	12.4%	846	13.5%	846	13.5%
80,000	533	8.0%	593	8.9%	714	10.7%	835	12.5%	908	13.6%	908	13.6%
85,000	569	8.0%	634	9.0%	763	10.8%	893	12.6%	971	13.7%	971	13.7%
90,000	606	8.1%	675	9.0%	813	10.8%	950	12.7%	1,033	13.8%	1,033	13.8%
95,000	643	8.1%	716	9.0%	862	10.9%	1,008	12.7%	1,096	13.8%	1,096	13.8%
100,000	679	8.2%	757	9.1%	911	10.9%	1,065	12.8%	1,158	13.9%	1,158	13.9%

Note: Provides an income offset based on poverty line for all borrowers.

Income Contingent Repayment Plan -- Option B

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt																						
Income	$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$1,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12,500	0	0	0	0	0	15	16	17	18	20	22	24	26	28	31	33	33	33	33	33	33	33	33	33
15,000	18	21	23	25	27	29	31	34	36	38	42	46	51	55	59	64	65	65	65	65	65	65	65	65
17,500	27	31	34	37	40	43	47	50	53	56	63	69	75	82	88	94	96	96	96	96	96	96	96	96
20,000	36	41	45	49	53	58	62	66	70	75	83	91	100	108	117	125	127	127	127	127	127	127	127	127
22,500	45	51	56	61	66	72	77	82	88	93	103	114	124	135	146	156	158	158	158	158	158	158	158	158
25,000	54	61	67	73	80	86	92	99	105	111	124	136	149	162	174	187	190	190	190	190	190	190	190	190
30,000	72	81	89	97	106	114	123	131	139	148	165	181	198	215	232	249	252	252	252	252	252	252	252	252
35,000	90	101	111	122	132	143	153	164	174	185	205	226	247	268	289	310	315	315	315	315	315	315	315	315
40,000	108	121	133	146	158	171	183	196	209	221	246	271	297	322	347	372	377	377	377	377	377	377	377	377
45,000	126	141	155	170	185	199	214	229	243	258	287	316	346	375	404	434	440	440	440	440	440	440	440	440
50,000	144	161	177	194	211	228	244	261	278	295	328	361	395	428	462	495	502	502	502	502	502	502	502	502
55,000	162	181	199	218	237	256	275	294	312	331	369	406	444	482	519	557	565	565	565	565	565	565	565	565
60,000	180	201	222	242	263	284	305	326	347	368	410	451	493	535	577	619	627	627	627	627	627	627	627	627
65,000	198	221	244	267	290	313	336	359	382	405	450	496	542	588	634	680	690	690	690	690	690	690	690	690
70,000	216	241	266	291	316	341	366	391	416	441	491	541	592	642	692	742	752	752	752	752	752	752	752	752
75,000	217	261	288	315	342	369	396	424	451	478	532	586	641	695	749	804	815	815	815	815	815	815	815	815
80,000	217	281	310	339	368	398	427	456	485	515	573	631	690	748	807	865	877	877	877	877	877	877	877	877
85,000	217	301	332	363	395	426	457	489	520	551	614	676	739	802	864	927	940	940	940	940	940	940	940	940
90,000	217	321	354	387	421	454	488	521	554	588	655	721	788	855	922	989	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002
95,000	217	341	376	412	447	483	518	554	589	625	695	766	837	908	979	1,050	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065
100,000	217	361	398	436	473	511	548	586	624	661	736	811	887	962	1,037	1,112	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127

"Option 2" Maximum Monthly Payment Amounts:

Initial Debt																							
$2,500	$5,000	$7,500	$10,000	$12,500	$15,000	$17,500	$20,000	$22,500	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000	$55,000	$60,000	$65,000	$70,000	$75,000	$80,000	$85,000	$90,000	$100,000
$26	$53	$79	$105	$131	$158	$184	$210	$237	$263	$315	$368	$421	$473	$526	$578	$631	$683	$736	$789	$841	$894	$946	$1,051

Note: The red figures represent payment amounts that are less under this plan compared to the NPRM.
Note: Provides an income offset based on poverty line for all borrowers.

14-Nov-94

Income Contingent Repayment Plan -- Option B

First-Year Monthly Repayment Amounts for a Borrower with One Child (Family of 2) at Various Income and Debt Levels

	Initial Debt																							
Income	$2,500		$5,000		$7,500		$10,000		$15,000		$20,000		$25,000		$30,000		$40,000		$50,000		$75,000		$100,000	
$1,000	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
2,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
8,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
9,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
10,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
12,500	0	0.0%	0	0.0%	0	0.0%	0	0.0%	15	1.4%	17	1.7%	20	1.9%	22	2.1%	26	2.5%	31	2.9%	33	3.2%	33	3.2%
15,000	18	1.5%	21	1.7%	23	1.8%	25	2.0%	29	2.3%	34	2.7%	38	3.0%	42	3.4%	51	4.1%	59	4.7%	65	5.2%	65	5.2%
17,500	27	1.9%	31	2.1%	34	2.3%	37	2.5%	43	3.0%	50	3.4%	56	3.9%	63	4.3%	75	5.2%	88	6.0%	96	6.6%	96	6.6%
20,000	36	2.2%	41	2.4%	45	2.7%	49	2.9%	58	3.5%	66	4.0%	75	4.5%	83	5.0%	100	6.0%	117	7.0%	127	7.6%	127	7.6%
22,500	45	2.4%	51	2.7%	56	3.0%	61	3.3%	72	3.8%	82	4.4%	93	5.0%	103	5.5%	124	6.6%	146	7.8%	158	8.4%	158	8.4%
25,000	54	2.6%	61	2.9%	67	3.2%	73	3.5%	86	4.1%	99	4.7%	111	5.3%	124	5.9%	149	7.2%	174	8.4%	190	9.1%	190	9.1%
30,000	72	2.9%	81	3.2%	89	3.6%	97	3.9%	114	4.6%	131	5.2%	148	5.9%	165	6.6%	198	7.9%	232	9.3%	252	10.1%	252	10.1%
35,000	90	3.1%	101	3.5%	111	3.8%	122	4.2%	143	4.9%	164	5.6%	185	6.3%	205	7.0%	247	8.5%	289	9.9%	315	10.8%	315	10.8%
40,000	108	3.2%	121	3.6%	133	4.0%	146	4.4%	171	5.1%	196	5.9%	221	6.6%	246	7.4%	297	8.9%	347	10.4%	377	11.3%	377	11.3%
45,000	126	3.4%	141	3.8%	155	4.1%	170	4.5%	199	5.3%	229	6.1%	258	6.9%	287	7.7%	346	9.2%	404	10.8%	440	11.7%	440	11.7%
50,000	144	3.5%	161	3.9%	177	4.3%	194	4.7%	228	5.5%	261	6.3%	295	7.1%	328	7.9%	395	9.5%	462	11.1%	502	12.0%	502	12.0%
55,000	162	3.5%	161	3.9%	199	4.4%	218	4.8%	256	5.6%	294	6.4%	331	7.2%	369	8.0%	444	9.7%	519	11.3%	565	12.3%	565	12.3%
60,000	180	3.6%	201	4.0%	222	4.4%	242	4.8%	284	5.7%	326	6.5%	365	7.4%	410	8.2%	493	9.9%	577	11.5%	627	12.5%	627	12.5%
65,000	198	3.6%	221	4.1%	244	4.5%	267	4.9%	313	5.8%	359	6.6%	405	7.5%	450	8.3%	542	10.0%	634	11.7%	690	12.7%	690	12.7%
70,000	216	3.7%	241	4.1%	266	4.6%	291	5.0%	341	5.8%	391	6.7%	441	7.6%	491	8.4%	592	10.1%	692	11.9%	752	12.9%	752	12.9%
75,000	217	3.5%	261	4.2%	286	4.6%	315	5.0%	369	5.9%	424	6.8%	478	7.6%	532	8.5%	641	10.3%	749	12.0%	815	13.0%	815	13.0%
80,000	217	3.3%	281	4.2%	310	4.6%	339	5.1%	398	6.0%	456	6.8%	515	7.7%	573	8.6%	690	10.3%	807	12.1%	877	13.2%	877	13.2%
85,000	217	3.1%	301	4.2%	332	4.7%	363	5.1%	426	6.0%	489	6.9%	551	7.8%	614	8.7%	739	10.4%	864	12.2%	940	13.3%	940	13.3%
90,000	217	2.9%	321	4.3%	354	4.7%	387	5.2%	454	6.1%	521	6.9%	588	7.8%	655	8.7%	788	10.5%	922	12.3%	1,002	13.4%	1,002	13.4%
95,000	217	2.7%	341	4.3%	376	4.8%	412	5.2%	483	6.1%	554	7.0%	625	7.9%	695	8.8%	837	10.6%	979	12.4%	1,065	13.4%	1,065	13.4%
100,000	217	2.6%	361	4.3%	398	4.8%	436	5.2%	511	6.1%	586	7.0%	661	7.9%	736	8.8%	887	10.6%	1,037	12.4%	1,127	13.5%	1,127	13.5%

Note: Provides an income offset based on poverty line for all borrowers.

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<u>NOTE: The following draft language has been prepared for discussion purposes only, and has not yet received the departmental and OMB clearances necessary for this language to represent the official views of the Department of Education or of the Administration</u>.

TAX TREATMENT OF INCOME CONTINGENT DIRECT LOANS

SEC. 101. (a) Section 455(e)(4) of the Higher Education Act (20 U.S.C. 1001 *et seq.*) is amended--

(1) by inserting immediately following the paragraph heading the subparagraph designation "(A)"; and

(2) by adding at the end thereof the following new subparagraph:

"(B) If, <u>after the period of time prescribed by the Secretary under subsection (d)(1)(D) for income contingent repayment</u>, there is a balance (which may consist of unpaid principal, accrued interest, and any fees, such as late charges, assessed on such loan) remaining on a loan made under this part that is being repaid pursuant to income contingent repayment, such remaining balance shall be cancelled, and the amount cancelled shall not be considered income for purposes of the Internal Revenue Code of 1986.".

(b) EFFECTIVE DATE.--The amendments made by this section shall be effective for loans made under this part on or after July 1, 1994.