

# *Student Loan Confusion?*

Ask me what you should consider.

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WisMed Financial



Created by the Wisconsin Medical Society



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# Federal Student Loans Disclaimer

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This information is believed to be accurate as of August 15, 2025.

Always check with your loan servicer or loan documentation as the authoritative source.

These items have changed regularly over the past few years and may continue to change by actions in Washington and the courts.

| Income Driven Repayment Plans       | ICR (phased out by 7/1/2028)           | IBR 2009 (apply/enroll before 7/1/2028)        | IBR 2014 (apply/enroll before 7/1/2028)                            | PAYE (apply/enroll before 7/1/2027, plan phased out by 7/1/2028)          | SAVE (formerly REPAYE) (phased out by 7/1/2028) | RAP (available by 7/1/2026)                               |
|-------------------------------------|----------------------------------------|------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|
| Loan Dates                          | Any                                    | Before 7/1/2014 and no new loan after 7/1/2026 | First borrowed on or after 7/1/2014 and no new loan after 7/1/2026 | No outstanding loans as of 10/1/2007 & new loan disbursed after 10/1/2011 | Any                                             | Any                                                       |
| Payment                             | 20% of discretionary income            | 15% of discretionary income                    | 10% of discretionary income                                        | 10% of discretionary income                                               | N/A                                             | 1%-10% of AGI but no less than \$10                       |
| Discretionary Income                | AGI - 100% poverty                     | AGI - 150% poverty                             | AGI - 150% poverty                                                 | AGI - 150% poverty                                                        | N/A                                             | AGI, but reduce the monthly payment by \$50 per dependent |
| Payment Capped at 10-Year Standard? | No                                     | Yes                                            | Yes                                                                | Yes                                                                       | N/A                                             | No                                                        |
| Length of Repayment                 | 25 years (forgiveness blocked) or PSLF | 25 years or PSLF                               | 20 years or PSLF                                                   | 20 years (forgiveness blocked) or PSLF                                    | N/A                                             | 30 years or PSLF                                          |
|                                     |                                        |                                                |                                                                    |                                                                           |                                                 |                                                           |

| Income Driven Repayment Plans | ICR (phased out by 7/1/2028)                                                     | IBR 2009 (apply/enroll before 7/1/2028)                                                                         | IBR 2014 (apply/enroll before 7/1/2028)                                                                         | PAYE (apply/enroll before 7/1/2027, plan phased out by 7/1/2028)                                                                                                    | SAVE (formerly REPAYE) (phased out by 7/1/2028)                      | RAP (available by 7/1/2026)                                                                         |
|-------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Capitalization of interest    | Accrued interest up to 10% of starting repayment balance is capitalized annually | Capitalized when leaving plan, failing to recertify income, or losing partial financial hardship status         | Capitalized when leaving plan, failing to recertify income, or losing partial financial hardship status         | Accrued interest up to 10% of starting repayment balance is capitalized when leaving plan, failing to recertify income, or losing partial financial hardship status | Capitalized when leaving plan or failing to recertify income on time | Interest does not accrue for borrowers making their payments, so there is no interest to capitalize |
| Treatment of Accrued Interest | No subsidy, interest accrues.                                                    | Government pays 100% of unpaid interest on subsidized loans for the first 3 years. Otherwise, interest accrues. | Government pays 100% of unpaid interest on subsidized loans for the first 3 years. Otherwise, interest accrues. | Government pays 100% of unpaid interest on subsidized loans for the first 3 years. Otherwise, interest accrues.                                                     | Interest after 8/1/2025 accrues.                                     | Unpaid interest does not accrue, up to \$50 of payment reduces principal                            |

| Income Driven Repayment Plans                          | ICR (phased out by 7/1/2028)                           | IBR 2009 (apply/enroll before 7/1/2028)                | IBR 2014 (apply/enroll before 7/1/2028)                | PAYE (apply/enroll before 7/1/2027, plan phased out by 7/1/2028) | SAVE (formerly REPAYE) (phased out by 7/1/2028) | RAP (available by 7/1/2026)                                        |
|--------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------|
| Typical Loan Types                                     | All loans including Parent PLUS if single consolidated | All loans including Parent PLUS if single consolidated | All loans including Parent PLUS if single consolidated | All loans. Includes Parent PLUS if double consolidated.          | All loans except for Parent PLUS                | All loans except Parent PLUS even if single or double consolidated |
| Enrollment requires payment < 10-year standard payment | No                                                     | No                                                     | No                                                     | Yes                                                              | N/A                                             | No                                                                 |



# Timeline of Student Loans

| Plan                        | Now–6/30/2026                      | 7/1/2026–6/30/2028                 | 7/1/2028+             |
|-----------------------------|------------------------------------|------------------------------------|-----------------------|
| <b>SAVE</b>                 | ⚠️ Only for current SAVE borrowers | ⚠️ Only for current SAVE borrowers | ❌ Sunset              |
| <b>PAYE</b>                 | ✅ Available                        | ⚠️ Grandfathered only              | ❌ Sunset              |
| <b>IBR (2009/2014)</b>      | ✅ Available                        | ⚠️ Grandfathered only              | ⚠️ Grandfathered only |
| <b>ICR</b>                  | ✅ Available                        | ⚠️ Grandfathered only              | ❌ Sunset              |
| <b>RAP</b>                  | ❌ Not yet                          | ✅ Newly available                  | ✅ Available           |
| <b>Standard</b>             | ✅ Available                        | ✅ Available                        | ✅ Available           |
| <b>Extended / Graduated</b> | ✅ Available                        | ⚠️ Grandfathered only              | ⚠️ Grandfathered only |



# Grandfathered Rules Pre-7/1/2026

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Maintain access to IBR, extended, or graduated payment plans.

Remaining in the grandfathered rules:

- Do not consolidate after 7/1/2026
- Do not take out new loans after 7/1/2026
- Parents with Parent PLUS loans are typically not eligible for IDR payment plans. However, consolidating before 7/1/2026 would make them eligible.



# PSLF Buyback

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## Buy Back Credit

Some borrowers may be eligible to “buy back” months of PSLF credit for time spent in forbearance as a result of the court’s injunction. Borrowers with 120 months of eligible employment can buy back (make payments to cover) past months that were not originally counted as qualifying payments because the borrower was in an ineligible deferment or forbearance status. **In the future, borrowers will be able to buy back months even if they do not have 120 months of eligible employment.** Borrowers must [submit a buyback request](#) and make an extra payment of at least as much as what they would have owed under an income-driven repayment (IDR) plan during the months they are trying to buy back.

<https://studentaid.gov/announcements-events/idr-court-actions>



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