

## DOE Launches Application for New Income-driven Student Debt Repayment Plan

The Biden administration recently launched a beta [website](#) for its new student debt loan repayment plan, the Saving on a Valuable Education (SAVE) plan. Eligible borrowers can start submitting applications for the income-driven student loan debt repayment program on the U.S. Department of Education's (DOE) website. The beta period allows the DOE to monitor the site's performance, identify any issues and make necessary updates before fully launching the website in August 2023. Federal student loan payments are currently scheduled to resume in October 2023.

### Overview of the Biden Administration's Plan

The SAVE plan is an income-driven repayment plan that may reduce borrowers' monthly loan payments. Instead of paying 10% of their discretionary income each month for student debt, qualified borrowers will be required to pay only 5%. This plan will determine loan payments based on borrowers' income and family size. Individuals earning 225% of the federal poverty guidelines, or \$32,805 for a single borrower or \$67,500 for a family of four, can qualify for zero-dollar payments. According to the DOE, 1 million additional borrowers will qualify for zero-dollar payments under the SAVE plan. Other borrowers may see their student debt reduced by half, with any remaining debt being canceled after making at least 10 years of payments.

### How Do Individuals Sign Up?

Eligible borrowers can submit applications for the SAVE plan on the DOE's [website](#). The agency has stated that borrowers who sign up for the plan this summer will have their application processed before student loan repayments resume in October. Borrowers who sign up during the beta application period will not need to enroll later.

Most borrowers can complete the application within 10 minutes, according to the Biden administration. Many of the application's sections can be automatically populated with information the government already has, such as data from federal tax returns. Borrowers will be able to see their exact monthly payment amount and choose the most affordable repayment plan for them. Individuals only need to apply once instead of yearly, as with past loan repayment requirements. Borrowers already enrolled in the existing Revised Pay As You Earn student debt loan repayment plan will be automatically switched to the new SAVE plan.

### What's Next?

Despite launching the application, some of the SAVE plan's benefits will not be implemented until next summer due to regulatory timelines. Further, the timing of any student debt relief from this plan will likely be uncertain. Similar to the administration's original student debt relief plan, these actions will likely face legal challenges.

Concerned borrowers can contact their loan servicer to confirm whether they qualify for student debt relief. Additionally, borrowers are encouraged to visit the DOE's website and [sign up to receive email and text updates](#) for the latest information.

We will keep you apprised of any notable updates from the current administration.