The existing income-driven repayment plans should be reduced to a single plan that doesn’t harm current federal student loan borrowers.

The federal government administers five income-driven repayment (IDR) plans. And, while the intent of these plans—to ease the financial burden of borrowers—reflects the right policy, the number and details of the plans create unnecessary complexity and may lead to confusion for borrowers.

In fact, because each disbursed student loan is treated separately, one borrower may have multiple loans that each qualify for a different repayment plan, with its own eligibility criteria, payment terms and forgiveness timeline, only adding to the complexity and confusion for borrowers.

As of Spring 2021, approximately 8.6 million unique borrowers were enrolled in IDR plans.

Nearly 3.3 million borrowers were enrolled in the newest IDR plan (REPAYE).

With so many students enrolled and so many different plans available, financial aid administrators and loan servicers may struggle to provide borrowers with accurate and up-to-date information and guidance on which plan would be best for their individual circumstances.

A single IDR plan could help reduce confusion and increase repayment rates.