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AGRICULTURAL IMPACT

COMPANION GUIDE · PROSPERITY FORUM 2026

Student Loans & PSLF

Key terms and repayment plans, explained in plain language, so you can choose your plan with confidence.

Navigating Student Loan Repayment & PSLF Updates

A companion to Day 3, Session 7, presented by Lori Hylton and Sharlene Brown on October 23, 2026.

CURRENT AS OF
NOVEMBER 5, 2026

START HERE

How to use this guide

This is the glossary we promised during the session. Keep it next to the recording and your studentaid.gov account.

Rules as of November 5, 2026. Student loan repayment and forgiveness rules keep changing as the Department of Education issues new guidance and courts weigh in. Before you act, confirm the details on studentaid.gov or with your servicer. This guide is general education, not financial, tax, or legal advice.

The most important step: choose your repayment plan yourself. If you don't, the plan you're placed in may not be the one you want.

THE PLANS

The repayment plans at a glance

By July 1, 2028, only two income-driven plans will remain: **IBR** for older loans, and **RAP** for everyone.

Plan	Stands for	How payments are set	PSLF?	Status
REPAYE	Revised Pay As You Earn	10% of discretionary income	—	Gone; replaced by SAVE in 2023
SAVE	Saving on a Valuable Education	Lowest income-driven payments	—	Ended in 2026; borrowers must choose a new plan
PAYE	Pay As You Earn	10% of discretionary income; forgiveness after 20 years	Yes	Ends July 1, 2028
ICR	Income-Contingent Repayment	20% of discretionary income; forgiveness after 25 years	Yes	Ends July 1, 2028
IBR	Income-Based Repayment	10–15% of discretionary income; forgiveness after 20–25 years	Yes	Stays, for loans made before July 1, 2026
RAP	Repayment Assistance Plan	1–10% of total income; forgiveness after 30 years	Yes	New July 1, 2026; the income-driven plan going forward
Standard	10-year Standard Plan	Fixed payments over 10 years	Yes	Older loans only; closed to new loans July 1, 2026
Tiered Standard	Tiered Standard Plan	Fixed payments over 10–25 years, set by your balance	No	New July 1, 2026; the default for new loans

Parent PLUS loans can't use RAP and have far fewer options. Talk to your servicer or an advocate before consolidating them.

DEADLINES AND DEFAULTS

What happens if you don't choose

Only PAYE and ICR borrowers are moved into RAP automatically. Everyone else who does nothing lands in a standard plan, which usually means higher payments.

On SAVE

Deadline: 90 days from the date on your notice

IF YOU DON'T CHOOSE →

Standard or Tiered Standard Plan, not RAP

On PAYE or ICR

Deadline: before July 1, 2028

IF YOU DON'T CHOOSE →

Moved into RAP

On IBR or the 10-year Standard Plan, with no new loans

No deadline

IF YOU DO NOTHING →

Nothing changes; you stay where you are

New borrower

Loan made or consolidated on or after July 1, 2026

IF YOU DON'T CHOOSE →

Tiered Standard Plan; you must opt in to RAP

Working toward PSLF? The Tiered Standard Plan does not count. Choose RAP or IBR yourself.

THE NEW PLAN

How RAP works

Payments are based on your total income, and unpaid interest is waived when you pay on time. The trade-off is a longer road to forgiveness.

1–10%
of your adjusted gross income, rising one point per $10,000

$50
off your monthly payment for each dependent

$10
minimum payment a month; no $0 option and no cap

30 yrs
360 payments to forgiveness, or 10 years under PSLF

- **Interest waiver.** If your payment doesn't cover the month's interest, the rest is waived when you pay in full and on time. Your balance won't balloon.
- **Principal boost.** If your payment would reduce your principal by less than $50, the government covers the gap, up to $50 a month.
- **Not eligible:** Parent PLUS loans, and consolidation loans that include one.
- **Run your numbers.** Compare RAP and IBR in the Loan Simulator on studentaid.gov. No one can tell you which is better without them.

GLOSSARY

Key terms A–Z

A–C

Adjusted gross income (AGI)

Your income after certain deductions, from line 11 of your federal tax return. RAP uses it to set your payment.

Buyback (PSLF)

A lump-sum payment for past months that didn't count toward PSLF, usually because you were on the wrong plan. Requests are processing slowly.

Consolidation

Combining federal loans into one new Direct Consolidation Loan. Done on or after July 1, 2026, the new loan can only use RAP or Tiered Standard. It may also reset your PSLF count.

D–F

Default

A loan more than 270 days past due. A defaulted federal loan blocks other federal credit, including USDA farm loans.

Direct Loans

Loans made directly by the U.S. Department of Education. Only Direct Loans qualify for PSLF.

Discretionary income

The part of your income above 150% of the federal poverty guideline. PAYE, ICR and IBR use it. RAP does not.

Employment Certification

The PSLF form that confirms your employer qualifies. Submit it at least once a year.

FFEL / Stafford loans

Older federal loans made through private lenders. They don't count for PSLF until consolidated into a Direct Loan.

Forbearance

A pause on payments. Interest may keep growing, and the months usually don't count toward forgiveness.

I–O

Income-driven repayment (IDR)

Any plan where your payment is set by your income, not your balance: IBR, PAYE, ICR and RAP.

Loan servicer

The company that manages your loan and payments. MOHELA handles PSLF for most borrowers.

Loan Simulator

The free tool on studentaid.gov that estimates your payment under each plan.

One Big Beautiful Bill Act

The July 4, 2025 law that created RAP and Tiered Standard and phased out SAVE, PAYE and ICR.

P–T

Parent PLUS loan

A loan a parent takes out for a child's education. Not eligible for RAP.

PSLF

Public Service Loan Forgiveness: tax-free forgiveness after 120 qualifying payments while working for a government agency or 501(c)(3).

Qualifying payment

An on-time, full payment on a PSLF-eligible plan, made while working full time for a qualifying employer.

Rehabilitation

The way out of default: nine on-time, income-based payments over ten months.

Taxable forgiveness

Forgiveness under IDR or RAP counts as federal taxable income again starting in 2026. PSLF forgiveness stays federally tax-free. Not tax advice; check with a tax professional.

Tiered Standard Plan

A fixed-payment plan for new loans, with a 10- to 25-year term set by how much you owe. It doesn't count for PSLF.

PUBLIC SERVICE LOAN FORGIVENESS

PSLF essentials

PSLF still works the way it always has: 120 qualifying payments, then tax-free forgiveness. It isn't automatic, and it isn't simply "10 years."

You need all four

1

Direct Loans

Older FFEL or Stafford loans must be consolidated first, and your count starts over when you do.

2

A qualifying plan

RAP, IBR, or the 10-year Standard Plan for older loans. Tiered Standard does not count.

3

A qualifying employer

A government agency or a 501(c)(3) nonprofit, working full time.

4

120 payments

On time. They don't have to be in a row, but any gap extends your timeline.

Protect your count

- Submit the employer certification form every year. Some borrowers do it every six months.
- Screenshot your payment count and history on studentaid.gov regularly.
- If your count drops, file a dispute. The Federal Student Aid Ombudsman can help with appeals.
- Don't make life decisions until your forgiveness approval is in writing.

Your employer still counts

A 2025 rule that would have let the Department of Education disqualify certain employers has been blocked in court. Working for a 501(c)(3) still counts.

Taxes

PSLF forgiveness is free from federal income tax and tax-free in most states. **Mississippi is a key exception**: it taxes PSLF forgiveness. Forgiveness under IDR or RAP is federally taxable again starting in 2026, and some states tax it too.

This is general information, not tax advice. Talk with a tax professional about your own situation.

! **If it isn't in writing, it didn't happen. Document everything.**

TAKE ACTION

Three things to do this week

- [ ] Log in to **studentaid.gov** and confirm your loan type, repayment plan and servicer.
- [ ] Open any notice from your servicer and act before the deadline. Don't let a default plan choose for you.
- [ ] Compare RAP and IBR in the **Loan Simulator** with your own income and family size.

WHERE TO GET HELP

Resource	Use it for
StudentAid.gov	Your loans, plan, payment history, PSLF count and the Loan Simulator
Your loan servicer	Plan changes, notices and payment questions
Default Resolution Group	Getting out of default before collections resume (via studentaid.gov)
FreeStudentLoanAdvice.org	Independent nonprofit guidance, step by step
Your school's financial aid office	Questions about eligibility for new loans
TPV for Agricultural Impact	One-on-one coaching on your loans and budget

TPV for Agricultural Impact

Building financial resilience across the agricultural ecosystem.

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Sources (as of November 5, 2026): NYC Dept. of Consumer and Worker Protection, "Key Changes in Federal Student Loan Repayment"; NASFAA, "OB3 Repayment Plan Chart"; Congressional Research Service, "The Repayment Assistance Plan (RAP) in P.L. 119-21"; Tate Law, "What Repayment Plans Qualify for PSLF?" and "RAP vs. Tiered Standard Plan."

This guide reflects federal student loan rules as of November 5, 2026. The Department of Education continues to change these programs, and new guidance or court decisions may change what applies to you. It is educational information only, not personal financial, tax, or legal advice. Confirm details on studentaid.gov or with your servicer, and consult a tax professional about taxes on forgiveness.