



Perks:
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interest subsidy, PSLF eligible

Perks:
Lower interest rate, Lower monthly payment

If yes, enjoy the interest subsidy while it lasts. Be mindful that down the road, Repaye has no payment cap like IBR/PAYE.

IBR monthly payment: _____

PAYE monthly payment: _____

REPAYE monthly payment: _____

Refinance monthly payment: \$100 till 6 mos after training

Currently you are allowed to switch among IDR, so you can potentially switch back to IBR if income grows to the point where IBR/PAYE is less than Repaye (& you are going for PSLF)

Re-evaluate each year as household income changes. Remember Repaye subsidy decreases as income grows.

Are you willing to pay more monthly to get interest subsidy?

Monthly difference = or < \$0 (ie. you are paying down your loans on Repaye)

monthly interest (annual interest rate x principle/12) - monthly payment = **Monthly difference**

Monthly IBR or PAYE or REPAYE - \$100 = **freed up cash**

REPAYE payments < IBR, PAYE

REPAYE payments > IBR, PAYE

50% x the monthly difference (\$0 or negative) = **No Repaye Interest Subsidy**

50% x the monthly difference = **Monthly Repaye subsidy**

Cash x (1+ return rate %) ^ # of years

Eg: Roth IRA index funds: ~8% average annual return

If your attending job is not PSLF-eligible, and you are unlikely to get another job that's PSLF-eligible soon, refinance ASAP.

No Brainer: Lower interest, lower payments, Repaye is the way to go

REPAYE vs. IBR vs. PAYE

Consider IBR, PAYE or Refi

Monthly accrued interest - monthly Repaye subsidy = **True monthly interest**

Eg: 401k employer match: 100% return up to 4% of salary

As an attending, IBR/Paye/Repaye have same interest rate because you will be paying down your loans ie. your monthly payments exceed your monthly accrued interest.

But Repaye counts spousal income regardless of how taxes are filed

Generally, Repaye beats IBR, PAYE with interest subsidy

True monthly interest x 12/ current principle = **after-subsidy interest rate**

Compare with refinance interest rate