



# PARENT PLUS BORROWERS

Parent PLUS Loans are not eligible for any income-driven repayment (IDR) plans. Presently, however, after they are consolidated into a Direct Consolidation Loan, Parent PLUS Loans become eligible for the Income-Contingent Repayment (ICR) plan. Some Parent PLUS Loan borrowers have been able to consolidate twice (i.e., “double consolidate”) in order to access other IDR plans.

On July 4, 2025, a budget reconciliation bill was signed into law that affects repayment options for Parent PLUS borrowers, including:

- Eliminating the ICR, PAYE, and SAVE plans by July 1, 2028.
- Granting Parent PLUS Loans access to a modified IBR plan (with no income eligibility requirements), if they have been:
  - ① Consolidated into a Direct Consolidation Loan by June 30, 2026; and
  - ② Enrolled in ICR or another income-driven plan at some point between July 4, 2025 and June 30, 2028.

Additionally, Parent PLUS borrowers will continue to have access to the Extended, Graduated, and old Standard plans, as long as they do not take out any new loans or receive a disbursement on a consolidated loan after June 30, 2026.

## PSLF AND IDR LOCKOUT IF YOU BORROW AFTER JUNE 30, 2026

If you take out any federal loans after June 30, 2026, (including receiving a disbursement on a consolidated loan) then ALL your: (1) Parent PLUS Loans, (2) Consolidation Loans that included any Parent PLUS Loans, and (3) Consolidation Loans that included other consolidations that had Parent PLUS Loans in them (i.e., “double consolidated” loans) will be restricted to the new tiered Standard plan. All of your loans of these types will not have access to any income-driven repayment plans. This will also prevent these loans from receiving Public Service Loan Forgiveness (PSLF) as you may not have access to a PSLF-qualifying repayment plan (only the 10-year Standard plan and IDR plans qualify for PSLF). The Graduated, Extended, and old Standard plans will also be unavailable if you take out any loans after June 30, 2026.

Be aware, consolidating results in outstanding interest being added to your principal balance and restarts the clock at zero for income-driven repayment forgiveness. For PSLF-count purposes only, loans included in a consolidation receive the weighted average of the payments made.

*\*\*Parent Plus borrowers working towards PSLF who are enrolled in a 10-year Standard Plan and who benefited from the one-time IDR Account Adjustment may want to remain in their current plan, if it would mean a lower monthly payment\*\**

## **IDR LOCKOUT FOR UNCONSOLIDATED PARENT PLUS LOANS IF YOU FAIL TO ACT BY JUNE 30, 2026**

Borrowers with unconsolidated Parent PLUS Loans who want those loans to have access to an income-driven plan must take action. Again, this includes:

- ❶ Consolidating any unconsolidated Parent PLUS Loans into a Direct Consolidation Loan and receiving a disbursement on that consolidation loan by June 30, 2026; and
- ❷ Enrolling in ICR or another IDR plan by June 30, 2028. A consolidation that was used to pay off a Parent PLUS loan, must enter repayment under ICR before July 1, 2028, to become eligible for IBR. In other words, you must make at least one payment under the ICR plan (or other IDR plan) by July 1, 2028 in order to be eligible to enroll in IBR.

*\*\*When you consolidate a student loan, it can take approximately 45-60 days for your new consolidation loan to be disbursed. At this time, the U.S. Department of Education maintains that consolidated loans must be disbursed by June 30, 2026, or they will be considered new loans for income-driven repayment plan purposes.\*\**



**Office of the Illinois Attorney General's Student Loan Helpline  
1-800-455-2456**

**[IllinoisAttorneyGeneral.gov](http://IllinoisAttorneyGeneral.gov)  
[StudentAid.gov](http://StudentAid.gov)**