

FACTS ON STUDENT LOAN BORROWERS

The vast majority of borrowers are managing their student loans successfully. Student loan servicers are on the frontlines helping.

1. Delinquency and default rates have steadily and significantly declined since the recession.

Continued enhancements in servicer outreach strategies, better economic conditions, and higher rates of enrollment in income-driven repayment plans are major factors for this decline.

Serious delinquency rate down

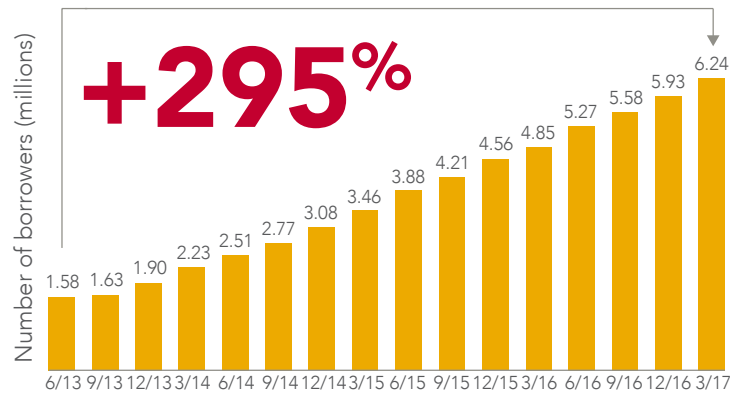
24%
in three years

Default rate down

22%
in two years

2. Enrollment in income-driven repayment plans has increased by 295% since 2013.

Student loan servicers work every day to help borrowers learn about alternative repayment plan options.

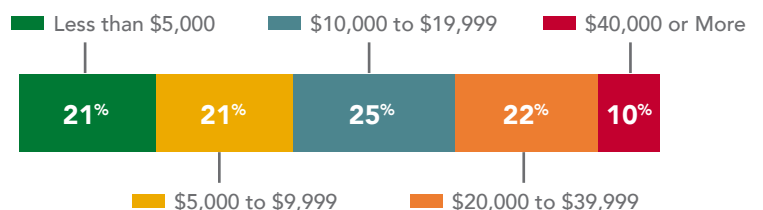


3. For most borrowers, student debt is manageable and results in a valuable investment in the future.



- A bachelor's degree recipient is half as likely to be unemployed and earns \$2,000 more per month vs. high school diploma recipients.
- Two-thirds of undergraduates leave school with less than \$20,000 in student loans.

Percent of undergraduate borrowers by loan balance



4. Graduation, not debt balance, is a leading predictor of payment success.

3X

Non-completers are three times more likely to default than bachelor's degree recipients.

66%

of borrowers who defaulted owed less than \$10,000 (35% owed less than \$5,000).



5. Contact is key to preventing default.

90%



Servicers report that as many as **90% of borrowers who default did not respond** to servicer contact despite multiple methods of outreach. Servicers continually test new strategies to increase engagement.

S · L · S · A

The Student Loan Servicing Alliance (SLSA) is a nonprofit, membership organization of 20 student loan servicers.

Sources & notes:

1. [Federal Student Aid Data Center](#), U.S. Department of Education, July 2017. Percent of Direct Loan borrowers in repayment 90-plus days delinquent compared to comparable quarter three years ago. Percent of Direct Loan borrowers in repayment entering default compared to comparable quarter two years ago. Quarterly delinquency and default trends are only available since June 2013 and December 2014, respectively.
2. [Federal Student Aid Data Center](#), U.S. Department of Education, July 2017. Direct Loans borrowers enrolled in any income-driven repayment plan program.
3. [Trends in Student Aid](#), College Board, 2016; [Education Pays](#), College Board, 2016
4. [Investing in Higher Education](#), White House Council of Economic Advisors, July 2016.
5. [Navient Response to CFPB RFI on Student Loan Borrower Communications](#), June 2016.