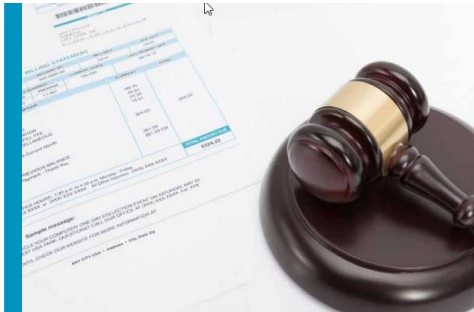




Dimensions of a Crisis:

North Carolina's Student Loan Debt



Across the country:

Dimensions of the student debt crisis

This information was prepared as part of an in-person presentation and, as such, may not include information that was discussed. Please contact the author with any questions.



Facts about the national student loan crisis

\$1.7 Trillion

In outstanding student loan debt; a 2.3x increase since 2008

44+M borrowers

Roughly one out of every five households

50% of loan debt

Held by young people under 35 years old

\$37,000 in debt

Average balance of debt held by recent graduates

Source: New York Fed Consumer Credit Panel/Equifax



Signs of distress among borrowers

40% of recent borrowers

Are projected to eventually default within 20 years of first enrollment

Little progress

For those that haven't defaulted in the first 5 years of repayment, less than half of all borrowers have paid down any principal, reflecting a large mismatch between debt levels and earnings.

Delinquency and default

Delinquency and default are exacerbated by a largely unregulated student loan servicing industry.

Source: New York Fed Consumer Credit Panel/Equifax



Disproportionate impact of student loans

1.4X as many young Black households have student debt as young white households.

About half of all Black borrowers with a BA owe more than they borrowed 4 years after graduation, compared to 23% of Latinos and 17% of whites.

2.5X as many Black borrowers default as white borrowers (12 years after enrollment); the comparable statistic for Latinos is 1.7X.

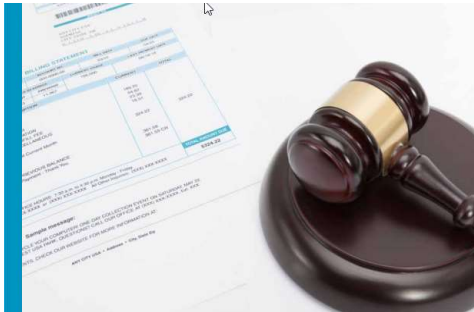


Disproportionate impact of student loans

2/3rds of outstanding student loan debt is held by women.

Borrowers over 60 experienced the sharpest increase in student loan debt between 2008 and 2018.

30% more rural borrowers are severely delinquent on their student loans than peers who relocate to metro areas.



North Carolina:

Dimensions of the student debt crisis

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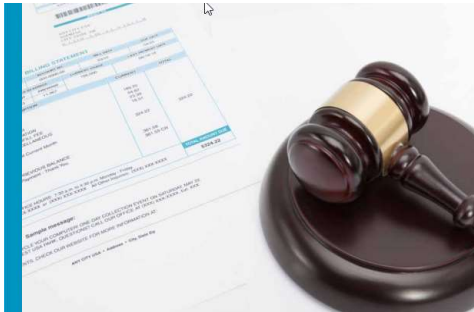
Student loan debt in North Carolina

1.2 million North Carolinians owe **\$44 billion** in student debt.

Since 2008 there has been a **286%** increase in the amount of student debt owed by North Carolinians.

Since 2005, the number of North Carolinians with student loan debt has **nearly doubled**

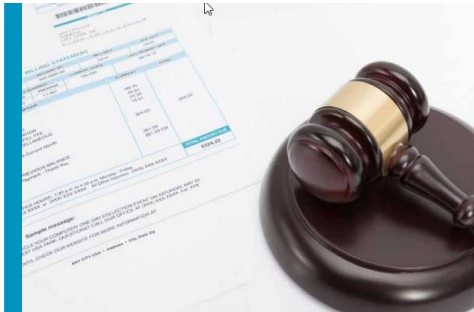
15.4% of North Carolina adults have student loan debt.



North Carolina:

Polling Results

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North Carolina:

Student Loan Debt Campaign



North Carolina students lack basic protections from their loan servicers' actions

“There is no expectation that the servicer will act in the interest of the consumer” – Navient CEO Jack Remondi





Student Loan Debt: State Policy Improvements

- The Student Loan Debt Campaign calls on the state of North Carolina to protect borrowers from shoddy student loan servicing.
- NC should rein in abuses by student loan servicers, such as:
 - Misleading borrowers
 - Misrepresenting borrowers' obligations under their loan agreements
 - Misapplying loan payments
 - Refusing to communicate with an authorized representative
 - Providing inaccurate information to credit bureaus
 - Placing borrowers into forbearance or default without assessing eligibility for income driven repayment