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Student loan debt has tripled to \$1.23 trillion — yes, trillion

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By **Matt Rocheleau**

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Total student loan debt in the United States has tripled over the past decade to a whopping \$1.232 trillion.

Student debt now accounts for a larger share of household debt than credit card, auto loan, and all other forms of debt, except for mortgages, according to the Federal Reserve Bank of New York.

The amount of student loan debt that was 90 or more days delinquent totaled more than \$29.4 billion as of the end of 2015, which accounted for almost a third of all household debt that was 90 or more days delinquent, the bank said. The only form of debt accounting for a larger share of 90-plus day delinquencies were mortgages, at \$44.72 billion.



Student loan debt in the US tops \$1.2 trillion

This chart shows the level of debt as of the end of each year.

Created with Highcharts 4.0.3200320042005200620072008200920102011201220132014201500.250.50.7511.251.5

SOURCE: New York Fed Consumer Credit Panel/Equifax
MATT ROCHELEAU / GLOBE STAFF

In a [report last spring](#), the bank outlined a series of troubling facts about the state of the student loan debt crisis as of 2014:

- Student loan balances increased during and after the recession, even as American households reduced their other debts. As college enrollment swelled, particularly from 2005 to 2010, more people took out student loans and racked up larger balances on average, the report said. Meanwhile, tightened bank lending standards did not affect the majority of student loans because they are federal.
- Student loan balances grew for borrowers of all ages between 2004 and 2014, but they grew particularly fast for borrowers age 40 and over, the report said. Two-thirds of student loan balances were held by borrowers not in their 20s.
- Most borrowers owed less than \$25,000 as of the end of 2014, including about 40 percent who owe less than \$10,000, the report said. The average outstanding balance at that time was \$26,000; the median balance was \$15,000.
- The number of active student loan borrowers actually peaked in 2010 and dropped from about 12 million to about 9 million, as enrollment dipped slightly and a smaller share of enrolled students took out loans. Even so,





the aggregate outstanding balance of debt has grown because of very low repayment rates.

- Default rates have risen for more recent graduating classes. About 17 percent of borrowers were in default or in delinquency, the report said. Only 37 percent of borrowers were current on their loan and actively paying down. The remaining 46 percent of borrowers were not behind on their loans but also were not paying down their debt.


- Default and delinquency rates have risen in recent years for students from lower-income areas, while those from higher-income areas — with a mean income over \$60,000 — have remained “remarkably stable,” the report said. “The borrowers from the lowest income areas have made practically no progress on paying down their loans. The aggregate balance, five years after leaving school, is still at 97% of where it was when they left school.”

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