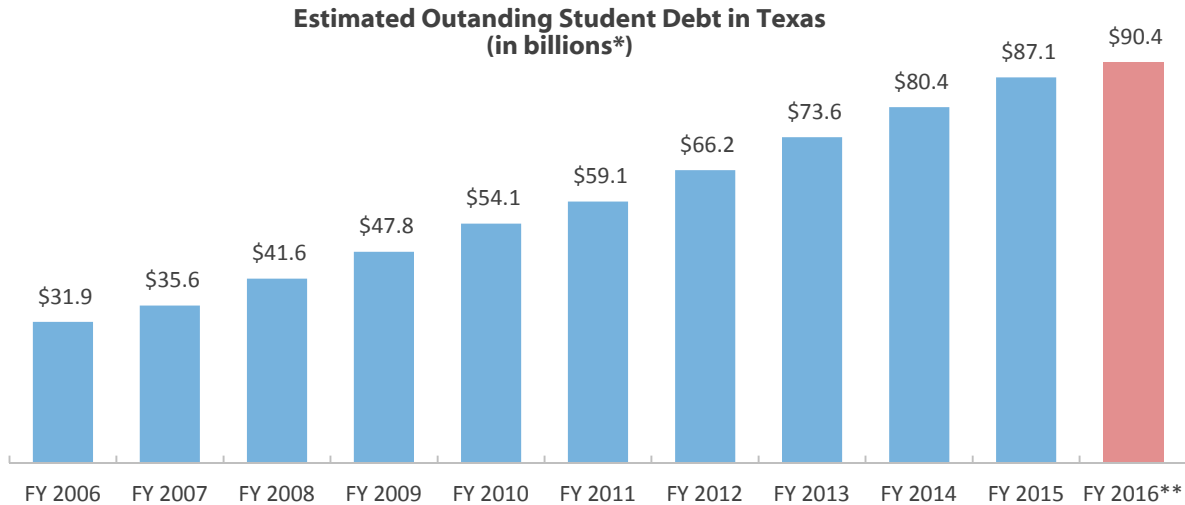


Outstanding Student Loan Debt in Texas Tops \$90 Billion

The rapidly rising national student loan debt has garnered much attention over the past few years. As of June 30, 2016, the total volume of outstanding student loan debt in the United States was estimated at \$1.28 trillion, representing an increase of about \$76 billion over the previous year and \$153 billion over the previous two years. As of the end of 2015, the estimated outstanding student loan volume in Texas was over \$87 billion, up about 8.4 percent from the previous year compared to 6.5 percent nationally. State-level data are not available through 2016; however, if Texans’ relative share of all student debt in the United States in 2015 (just over 7 percent, the highest in over a decade) has remained roughly constant or continued to grow, then student debt held by Texans exceeded \$90 billion for the first time as of June 30, 2016.



At the state and national level, the majority of the outstanding student loan debt comes from federal loans, including Federal Family Education Loans (FFEL)***, Federal Direct Loans, and Federal Perkins Loans. Private education loans, which generally do not provide accommodations like income-linked repayment plans, deferments, or forgiveness, account for about 17 percent of student debt nationally. Texas students are more dependent on federal aid, including loans, than students nationally. In Award Year (AY) 2014-2015, 82 percent of student financial aid in Texas came from federal sources, while just 69 percent of student aid nationally is federal. In Texas, 58 percent of all direct aid is in the form of loans, while 48 percent of direct aid in the U.S. overall comes from loans.

Individual student loan debts have grown along with the overall debt loads. From 2004 – 2014, the average student loan balance in the U.S. increased by 56 percent (more than double the rate of inflation over the same period).

*Estimates are based on per capita student debt averages from the Federal Reserve Bank of New York Consumer Credit Panel, which excludes persons without credit reports and persons living in counties where fewer than 10,000 people have credit reports. The result for a given year is adjusted by the same factor by which the result of this methodology for the United States as a whole deviates from the reported United States total outstanding student debt for that year. This adjustment, which was not made in previous editions of SOSA, has been applied to all years.

**FY 2016 data is projected based on data up to the third quarter of the year.

***The FFEL Program ended in 2010, but borrowers are still making payments on outstanding FFEL balances.

Sources: U.S. Student Loan Debt Estimate: Federal Reserve Bank of New York (FRBNY), Quarterly Report on Household Debt and Credit, Nov. 2016 (https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2016Q3.pdf), Texas Student Loan Debt Estimate: FRBNY Quarterly Report on Household Debt and Credit, Q4 2011 through Q3 2016, and Household Debt and Credit Statistics by County (<http://www.newyorkfed.org/microeconomics/data.html>), Sources of Aid: Texas Higher Education Coordinating Board, Report on Student Financial Aid in Texas higher Education for Fiscal Year 2013, (<http://www.theccb.state.tx.us/reports/PDF/3578.PDF>); U.S. Department of Education, Federal Student Aid Data Center (<http://federalstudentaid.ed.gov/datacenter/>); The College Board. Trends in Student Aid 2014 <https://secure-media.collegeboard.org/digitalServices/misc/trends/2014-trends-student-aid-report-final.pdf>); Individual Student Loan Balance Since 2005: FRBNY, Student Loan Debt by Age Group (<http://www.newyorkfed.org/studentloandebt/>); Markets: Rohit Chopra, Remarks to 2013 ABS East Conference via Housing Wire (<http://www.housingwire.com/articles/27303-cfbp-student-loan-debt-hijacks-the-housing-recovery>), Meta Brown, FRBNY & Postsecondary National Policy Institute, Student Debt Overview (http://www.newyorkfed.org/regional/Brown_presentation_GWU_2013Q2.pdf); Entrepreneurship: Young Invincibles, Borrowers in Distress: A Survey on the Impact of Private Student Loan Debt, May 2013 (<http://younginvincibles.org/wp-content/uploads/2013/05/Borrower-in-Distress-5.8.13.pdf>), The U.S. Small Business Administration, Frequently Asked Questions About Small Business, Sept. 2012 (http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf)

