

## **Fed Study of Student Debt Outlines a Growing Burden**

Andrew Martin and Ron Lieber

*A report released Monday by the Federal Reserve Bank of New York renews concerns about the growing debt load of college students and graduates.*

The report suggests that as many as 27 percent of the 37 million borrowers have past-due balances of 30 days or more.

"In sum, student loan debt is not just a concern for the young," the report said. "Parents and the federal government shoulder a substantial part of the postsecondary education bill."

The report, which was created by an analysis of Equifax credit reports, said the total balance of student loans was \$870 billion. Of the 241 million with Equifax credit reports (there are 311 million people in the United States), 15 percent had student debt.

Forty percent of the people under 30 had outstanding student loans, and the average outstanding debt is \$23,300. About 10 percent of borrowers owe more than \$54,000 and 3 percent owe more than \$100,000.

Noting that existing figures on student loans are spotty and largely anecdotal, the Fed said its analysis was an attempt to provide more accurate accounting of delinquency data.

The Federal Reserve came up with the delinquency figure by excluding from their calculation borrowers who were still students or those who were granted permission to postpone payments because of financial hardship, graduate school or some other approved reason. Those borrowers represent about 47 percent of all borrowers. Fed economists suggest that they should not be considered when measuring the delinquency rate because they aren't making payments.

If they were included in the total, the percentage of borrowers who were 30 days late in making payments is 14 percent.

Lauren Asher, president of the Institute for College Access and Success, said the Fed study reinforced the need for borrowers to understand the distinction between federal loans and private loans and to know the available repayment options.

She noted that borrowers of federal loans were eligible for income-based repayment in which caps are placed on monthly payments to make them more affordable. In addition, she noted that borrowers of private student loans, which tend to have higher interest rates and fewer protections than federal loans, could now call the Consumer Financial Protection Bureau to register complaints.

The Fed's numbers are similar to those published in a report a year ago by the Institute for Higher Education Policy. That study, based on a sampling of borrowers, found that 26 percent of borrowers who entered repayment in 2005 became delinquent but did not default. Fifteen percent of borrowers not only became delinquent but defaulted on their loans.

**Fonte: The New York Times, New York, 5 Mar. 2012, Internacional, On-line.**