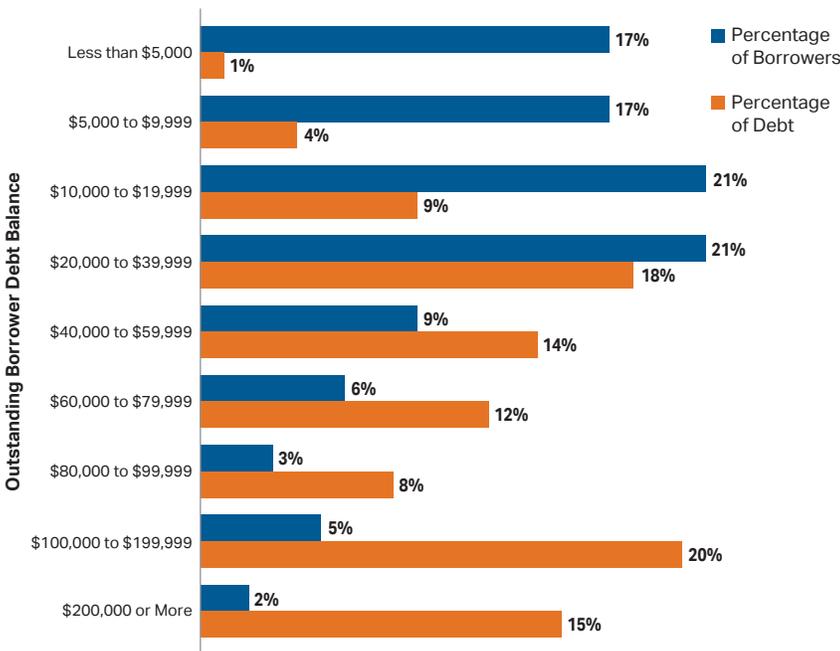


Federal Loans: Borrowing and Balances

As of March 2019, 43% of the outstanding federal education loan debt was held by the 10% of borrowers owing \$80,000 or more.

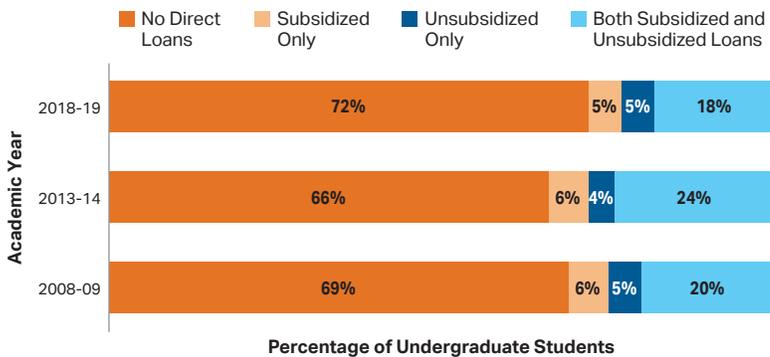
FIGURE 10 Distribution of Borrowers and Debt by Outstanding Balance, Second Quarter of FY2019



NOTES: Includes both loans made under the Federal Direct Loan Program (FDLP) and loans made under the Federal Family Education Loan (FFEL) Program, which ended in 2009-10. Data were as of March 31, 2019, the end of the second quarter of FY19.

SOURCE: U.S. Department of Education, Federal Student Aid Center, Federal Student Loan Portfolio.

FIGURE 11 Percentage of Undergraduate Students Borrowing Federal Subsidized and Unsubsidized Student Loans, 2008-09, 2013-14, and 2018-19



NOTES: IPEDS headcount enrollments are adjusted for the difference between total headcount, which counts students more than once if they are enrolled in more than one institution at the same time, and unduplicated headcount reported by the National Student Clearinghouse (NSC). Twelve-month undergraduate headcount for 2018-19 is estimated from NSC data. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, IPEDS 12-month enrollment data; National Student Clearinghouse, *Current Term Enrollment Estimates: Spring 2019*; U.S. Department of Education, Federal Student Aid Data Center, Title IV Program Volume Reports and Aid Recipients Summary; calculations by the authors.

- As of March 2019, 55% of borrowers owed less than \$20,000. These borrowers held 14% of the outstanding federal debt.
- In 2018-19, 28% of undergraduate students borrowed Federal Direct student loans, down from 31% in 2008-09 and 34% in 2013-14.
- In 2018-19, 5% of undergraduate students borrowed subsidized loans only, 5% borrowed unsubsidized loans only, and 18% borrowed from both programs. In other words, about two-thirds of the 28% who borrowed Direct student loans took both subsidized and unsubsidized loans.

ALSO IMPORTANT:

- Federal student loan default rates are highest for borrowers with low balances. For example, among borrowers entering repayment in 2010-11, the three-year default rate ranged from 24% for those owing \$5,000 or less to 7% for those owing \$40,000 or more. Two-thirds of those who defaulted owed \$10,000 or less. (*Trends in Student Aid 2016*, Figure 12B)
- The share of undergraduate students borrowing federal student loans rose steadily from 23% in 2001-02 to 38% in 2011-12. Since 2011-12, the share borrowing has declined each year, to 28% in 2018-19.
- Figure 11 shows that 28% of undergraduates took federal student loans in 2018-19. This percentage is lower than the share of students who graduate with debt for a number of reasons. Many students who borrow do not borrow every year. In 2015-16, among enrolled students who had borrowed at some point as undergraduates, 66% borrowed federal student loans. (NPSAS, 2016)
- Part-time students borrow at lower rates than full-time students. In 2015-16, about half of all full-time undergraduates borrowed federal student loans, compared with just 18% of those who were enrolled exclusively part time. (NPSAS, 2016)