

STUDENT LOAN REFINANCE AS A TOOL FOR ECONOMIC DEVELOPMENT

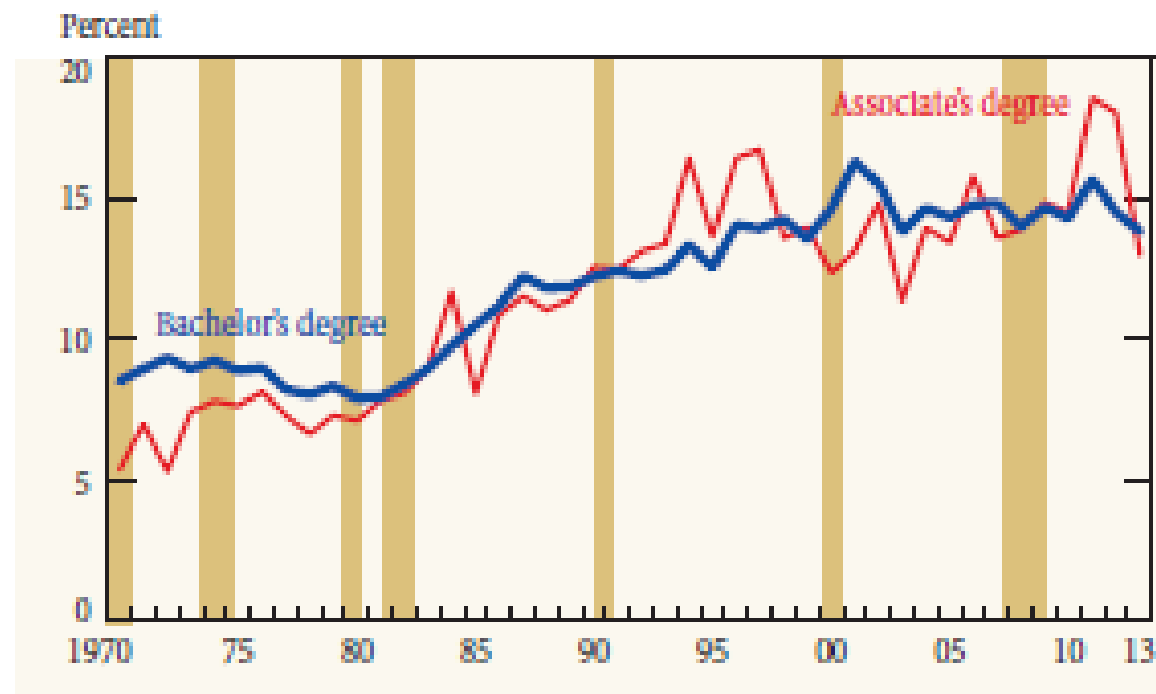
Scott A. Giles

President

Vermont Student Assistance Corp.

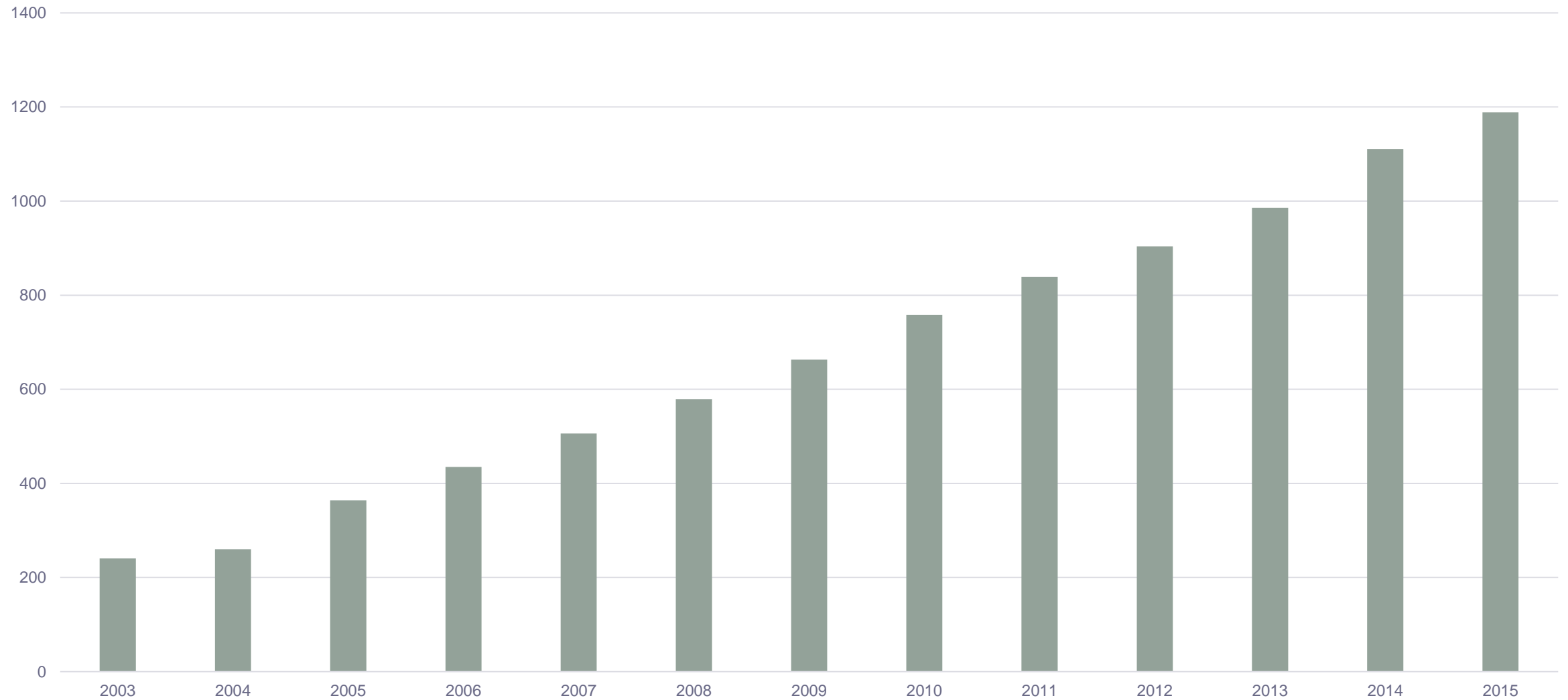
February 12, 2020

Why do families borrow? Education is an Investment



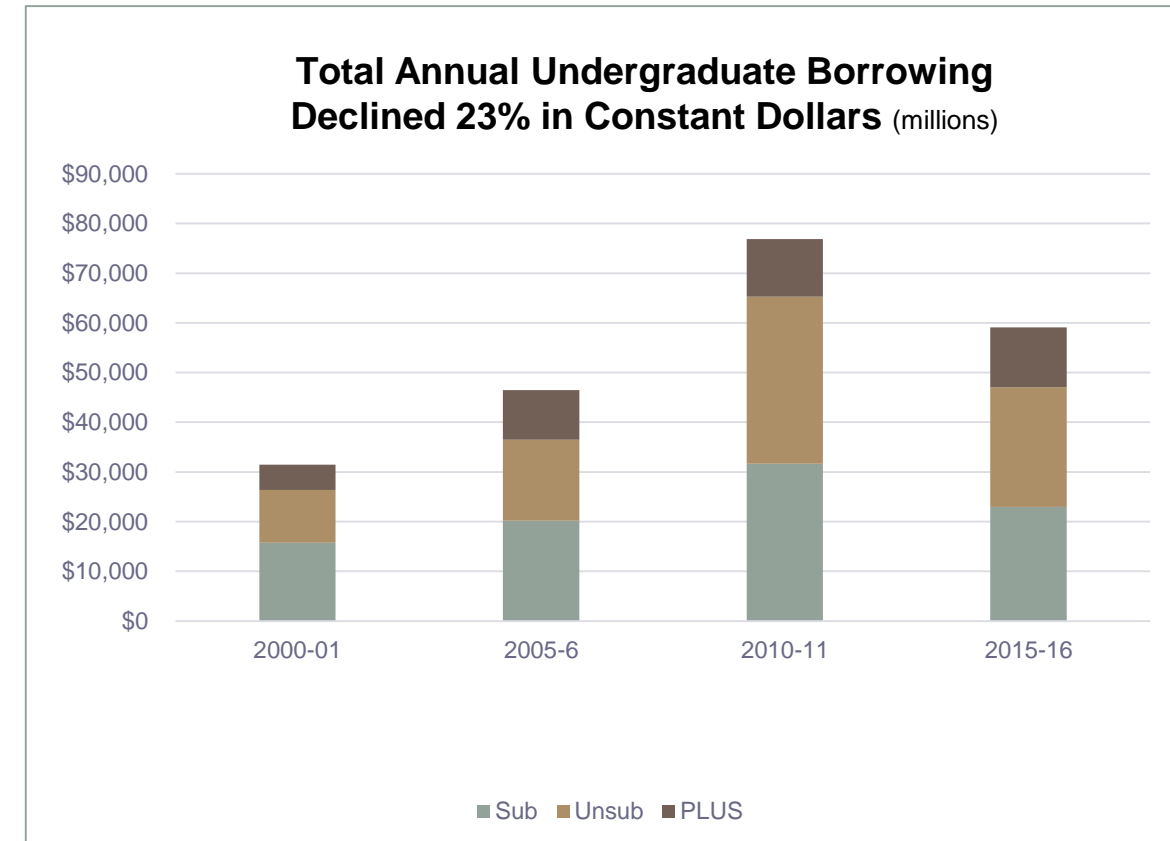
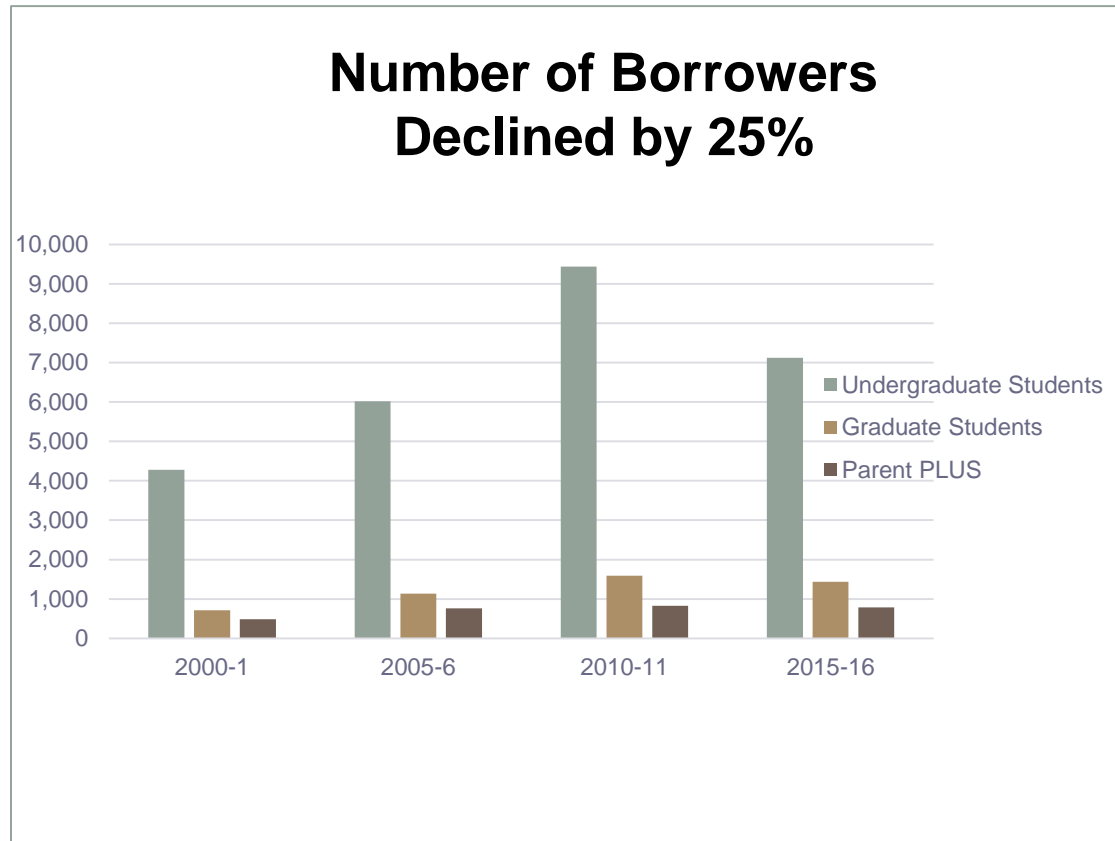
Source: FRBNY Current Issues in
Economics & Finance

Total Outstanding Education Approaches \$1.4 Trillion



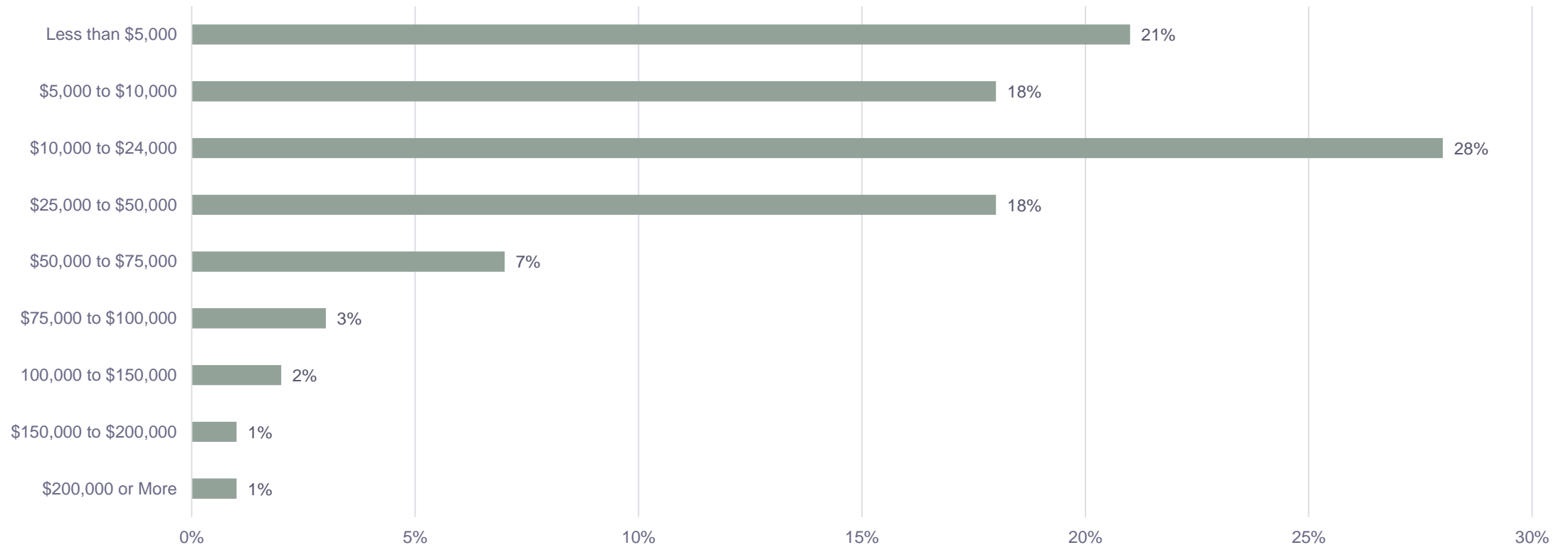
Source: College Board/FRNY

After Rapid Growth in Lead Up to Recession Aggregate Borrowing has Declined



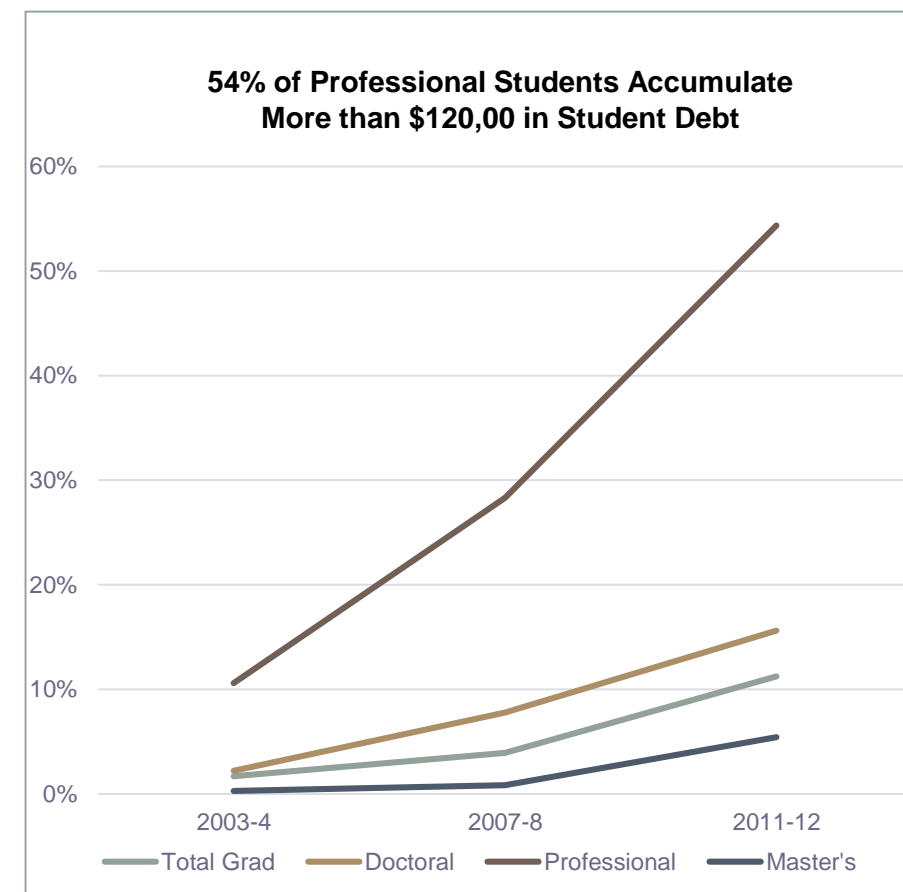
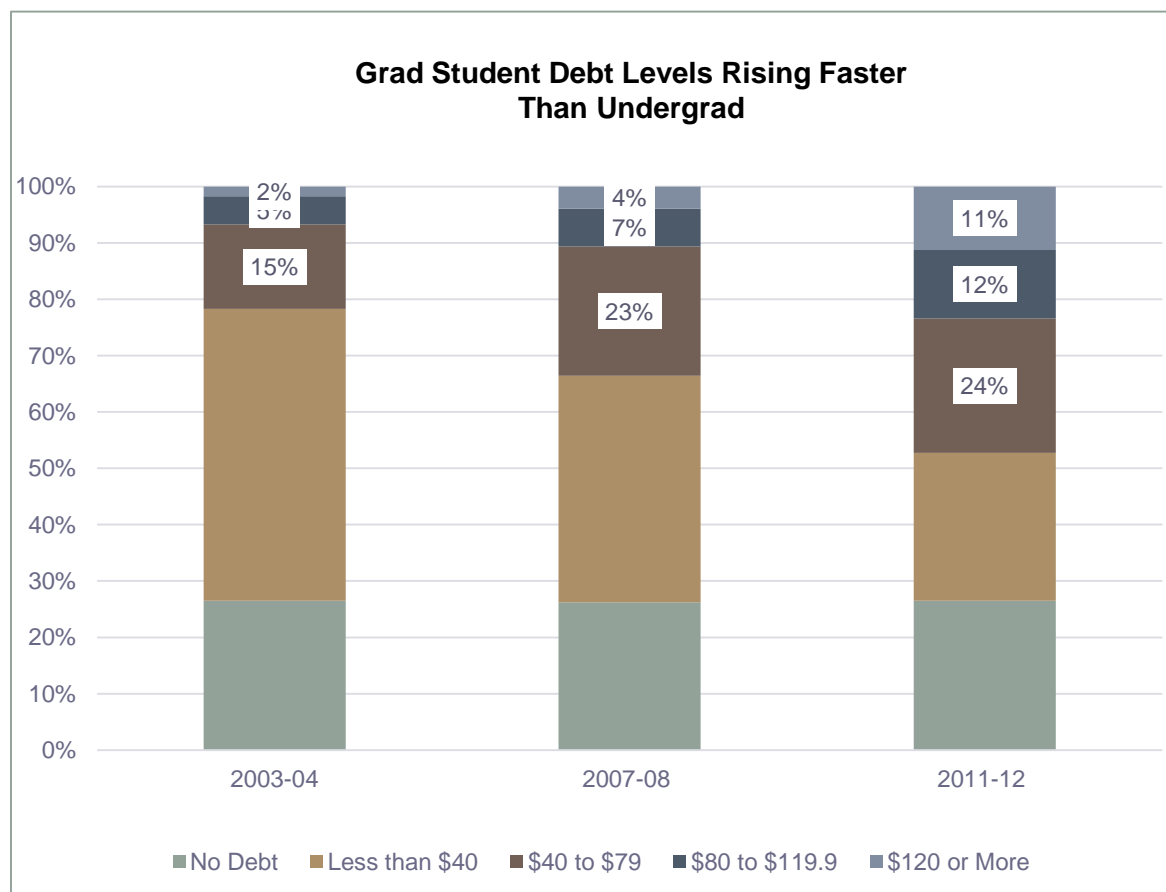
Source:
Trends in Student Aid, College Board

67% of Borrowers Have less than \$24,000 in Education Debt



Federal Reserve Bank of NY
Consumer Credit Panel

Graduate and Professional Students Have Accumulated 40% of Total Outstanding Debt

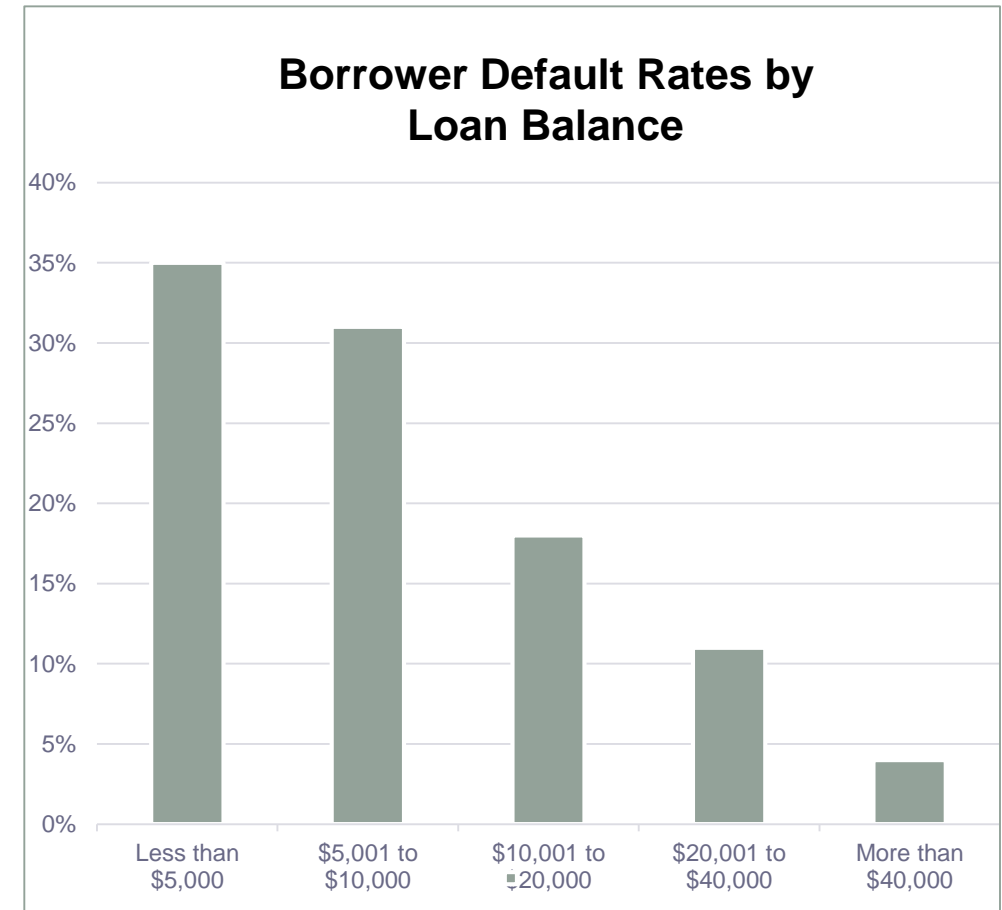
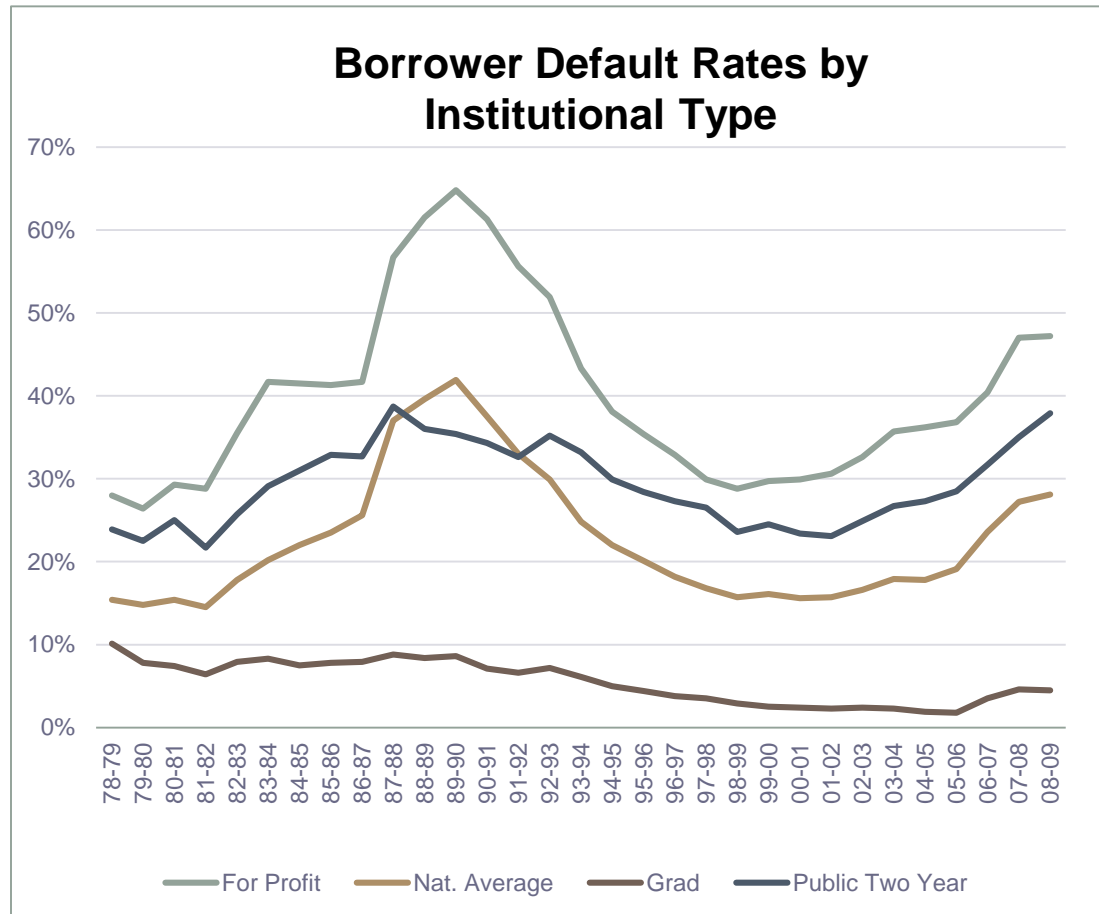


Source: College Board

Education is an investment that changes lives...

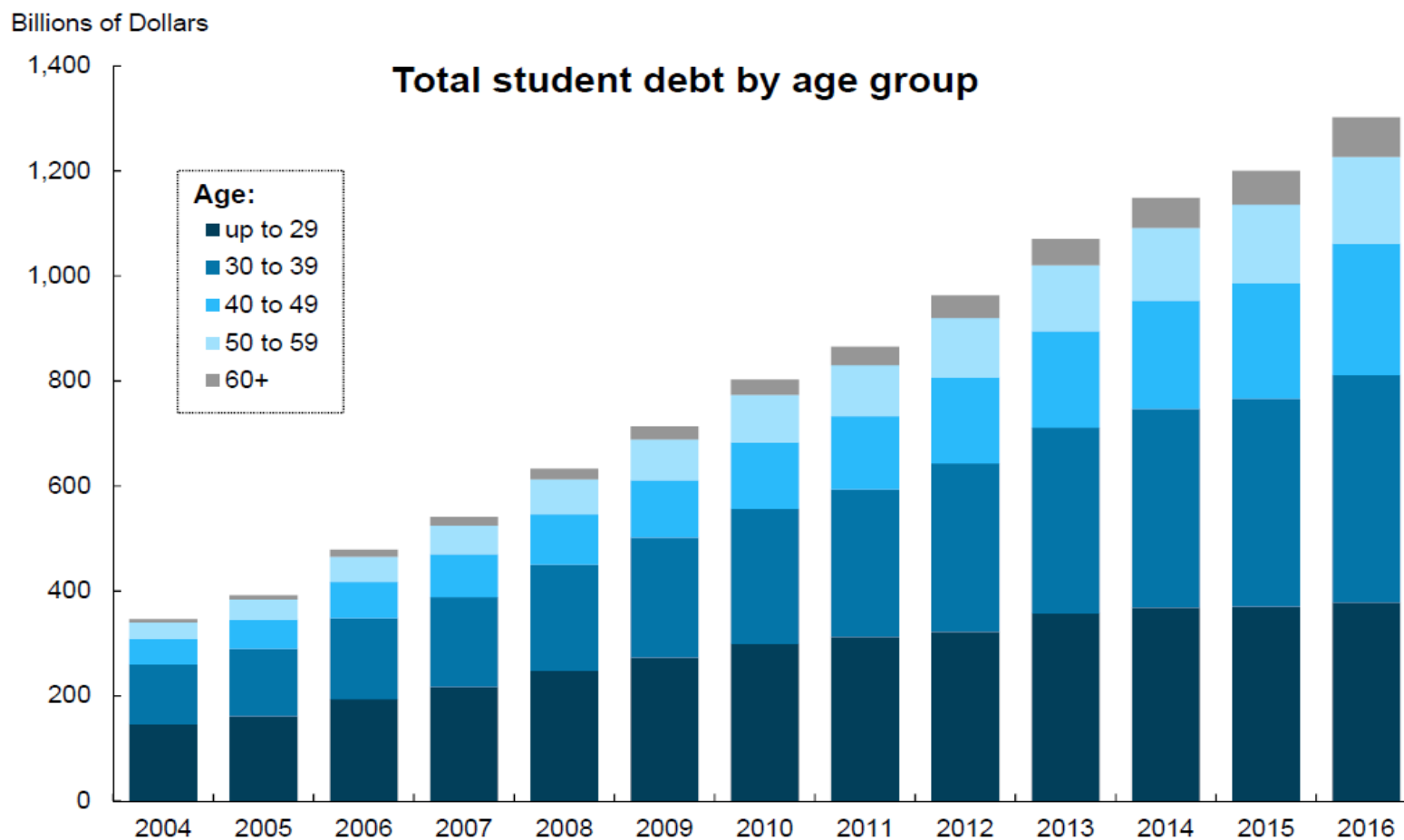


Default Rates Are Correlated with Low Balances, Institution Type, and Non-Completion

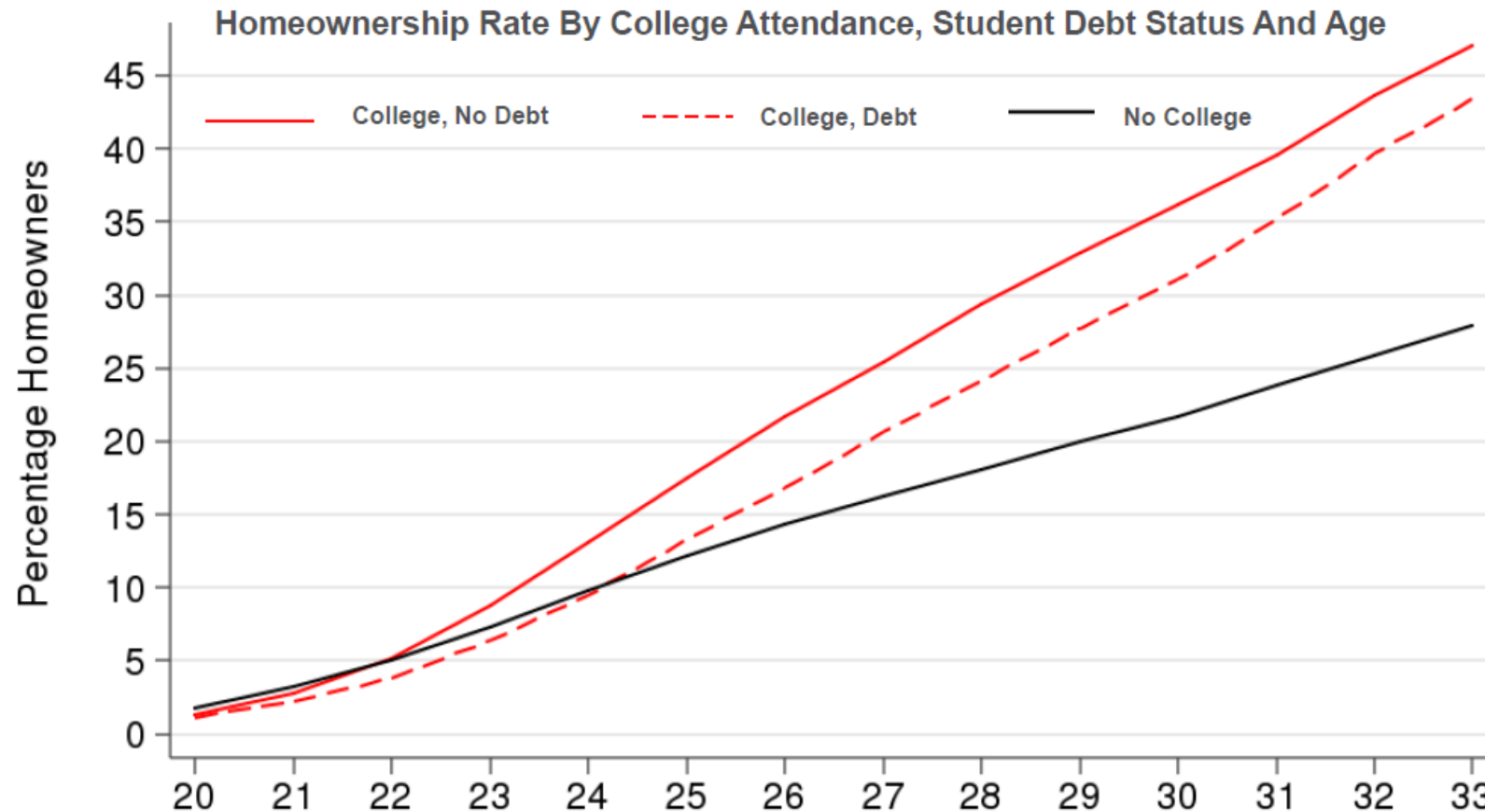


Source: College Board

Debt Held by Borrowers Over 60 is Growing



Homeownership Highly Correlated with College Attendance



Graduates Have Higher Home Ownership Rates Regardless of Debt Status

Homeownership Rate By College Attendance, Graduation Status, Student Debt Status And Age

