

# STUDENT LOAN REFINANCE AS A TOOL FOR ECONOMIC DEVELOPMENT

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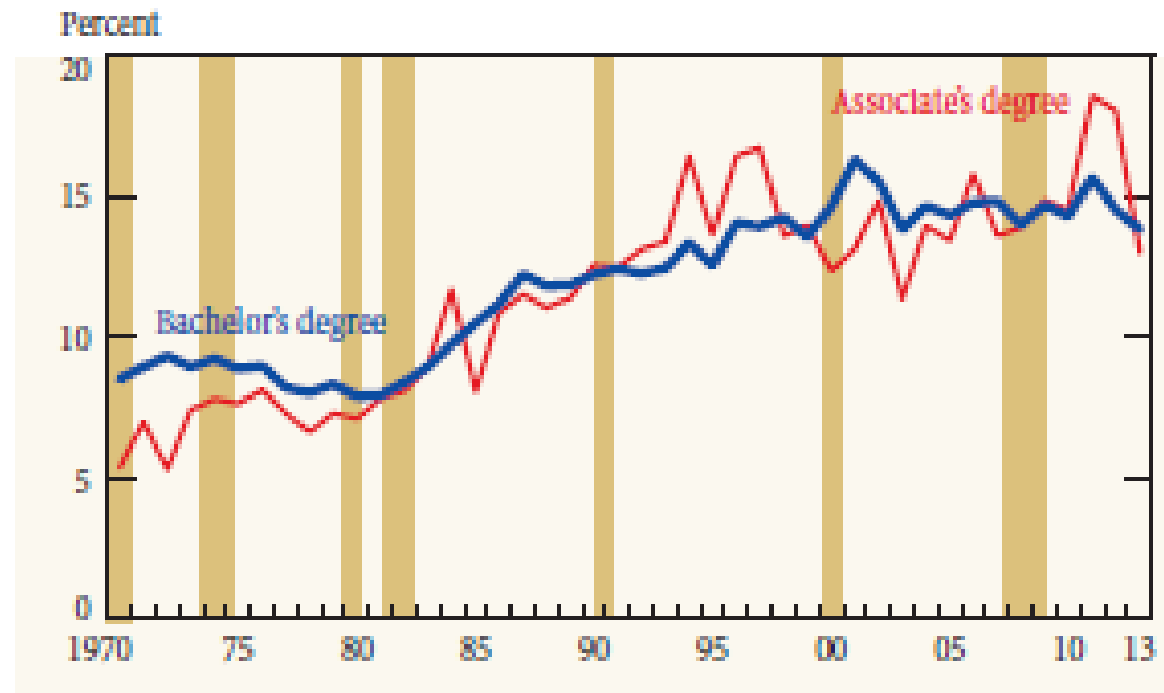
Scott A. Giles

President

Vermont Student Assistance Corp.

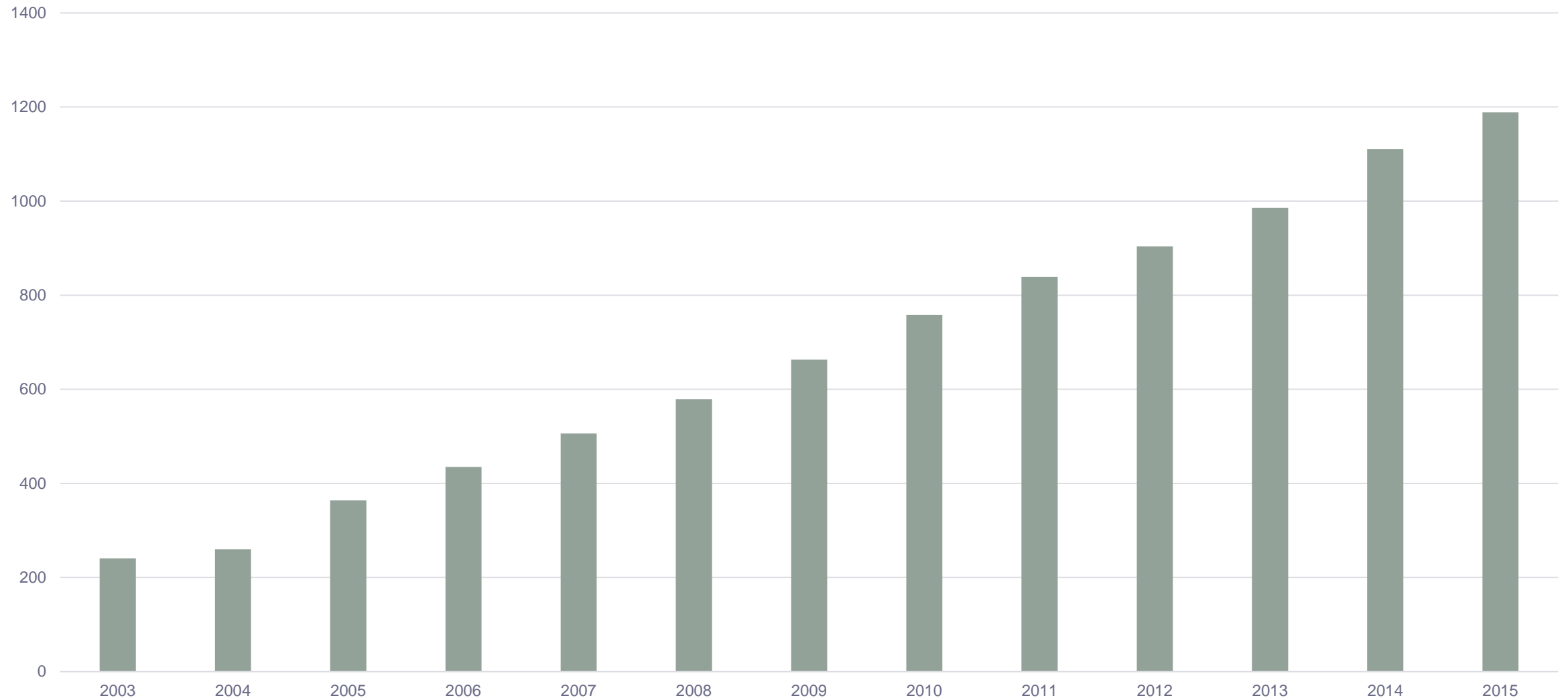
February 12, 2020

# Why do families borrow? Education is an Investment



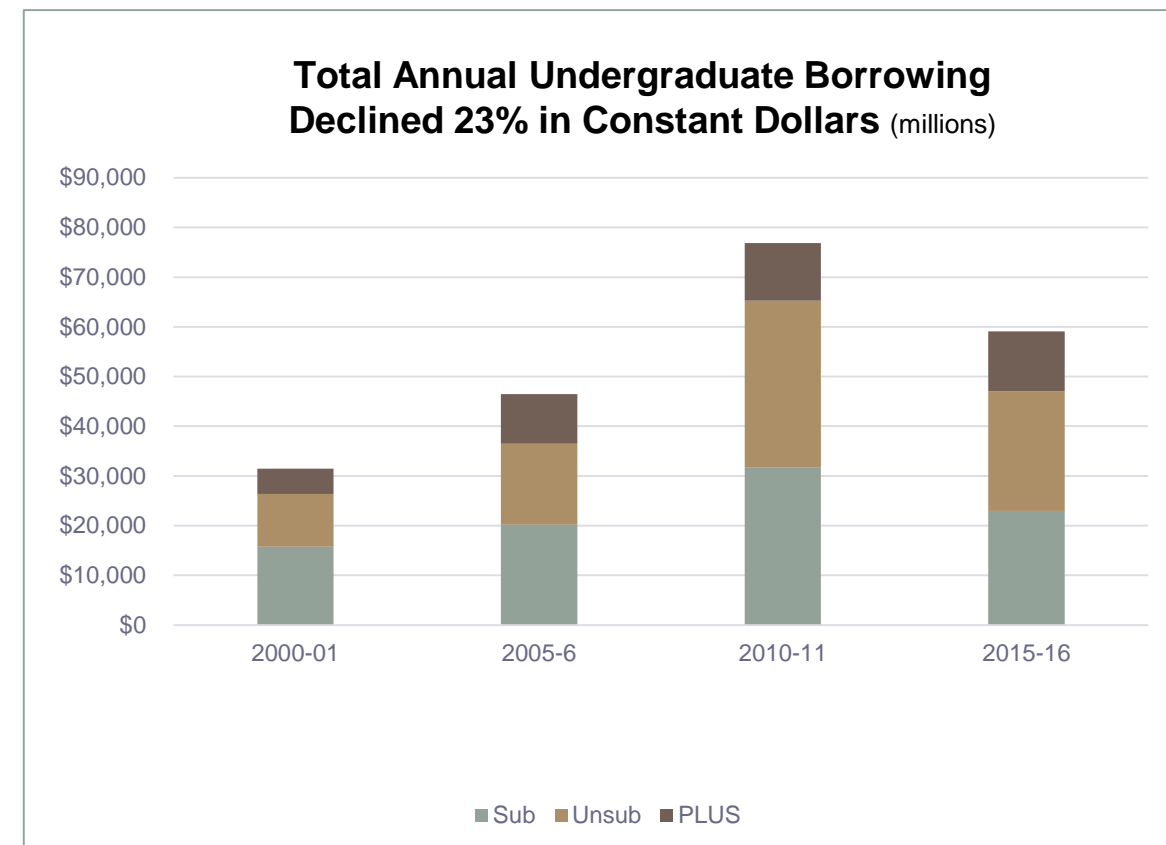
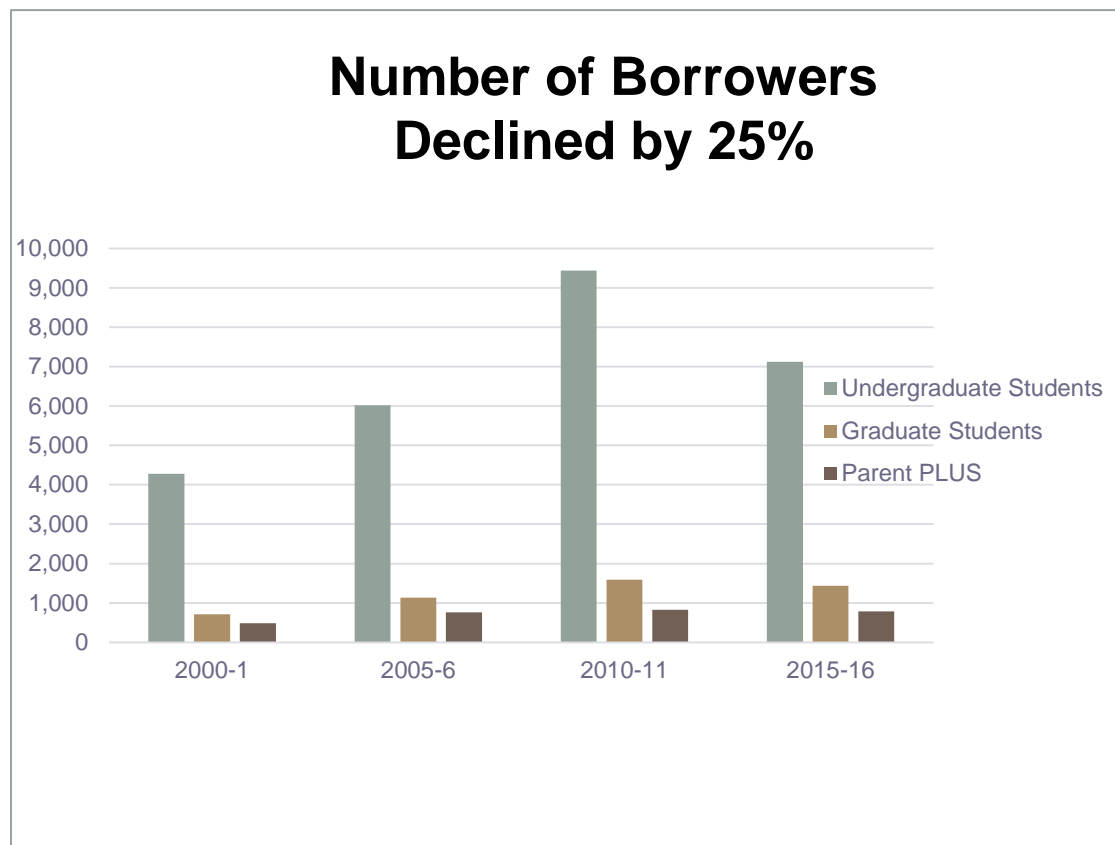
Source: FRBNY Current Issues in  
Economics & Finance

# Total Outstanding Education Approaches \$1.4 Trillion



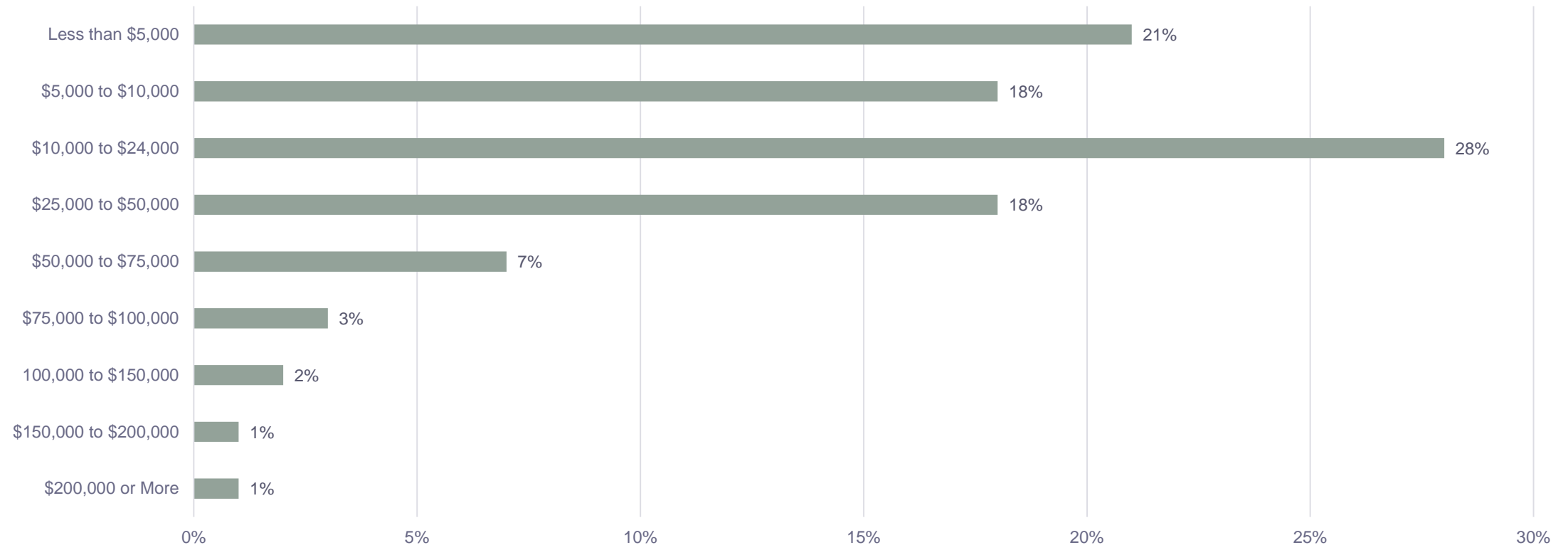
Source: College Board/FRNY

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



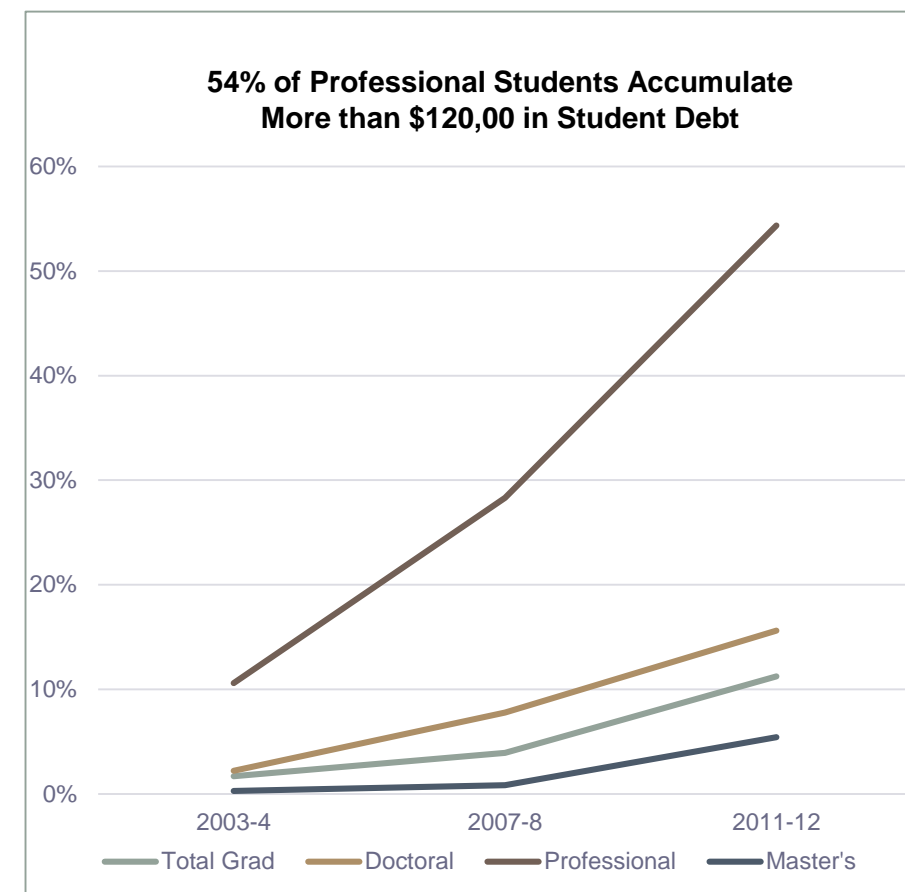
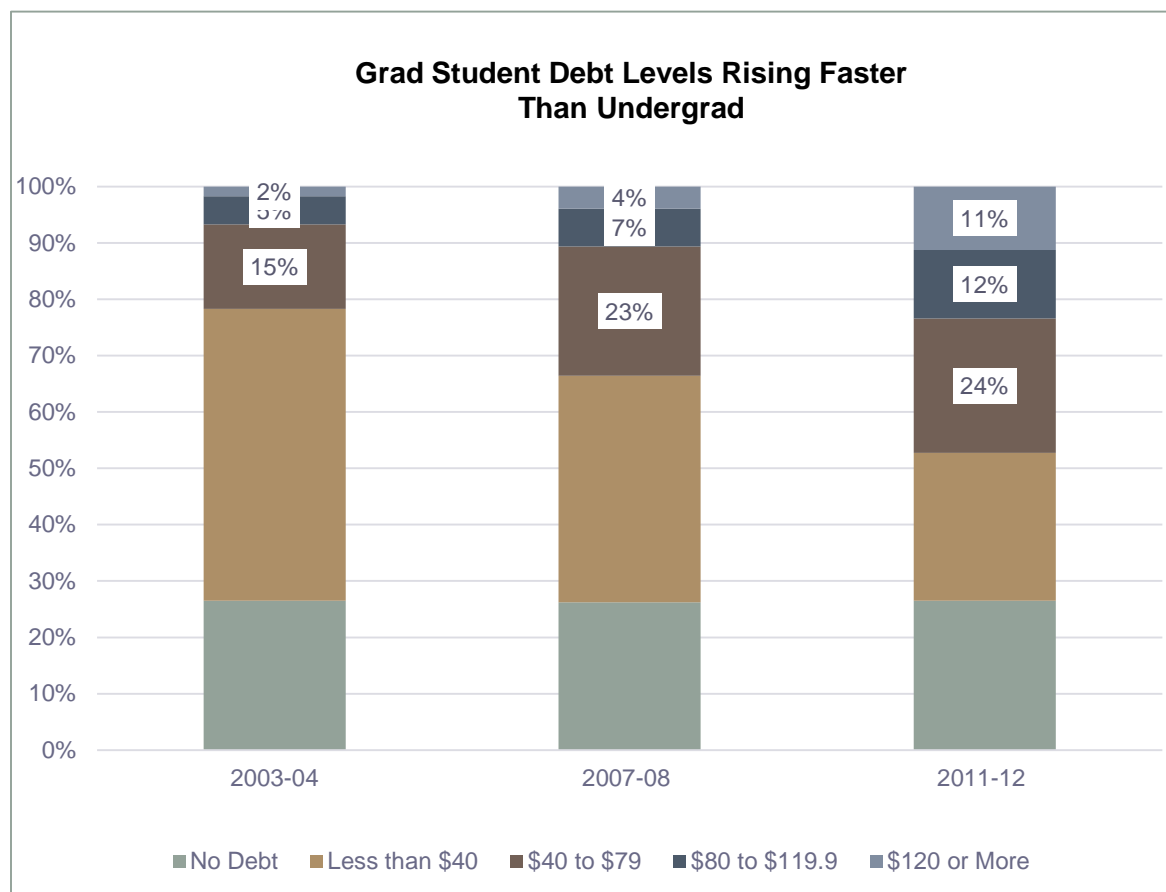
Source:  
Trends in Student Aid, College Board

# 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

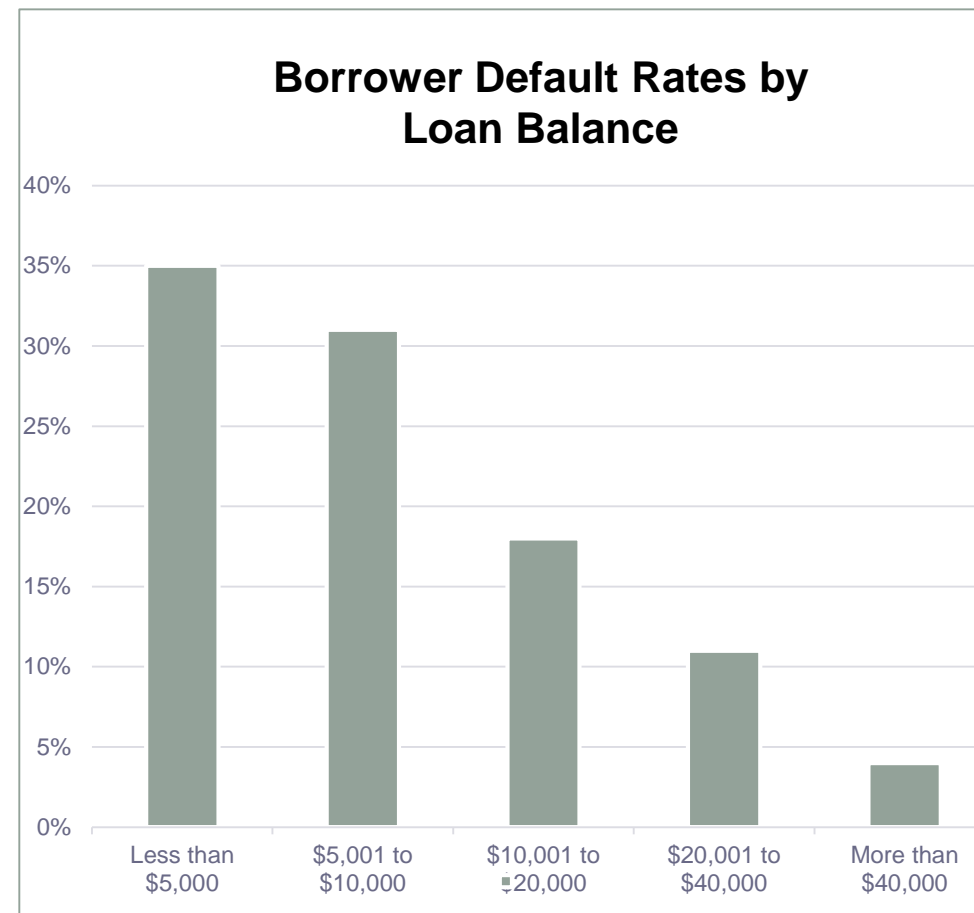
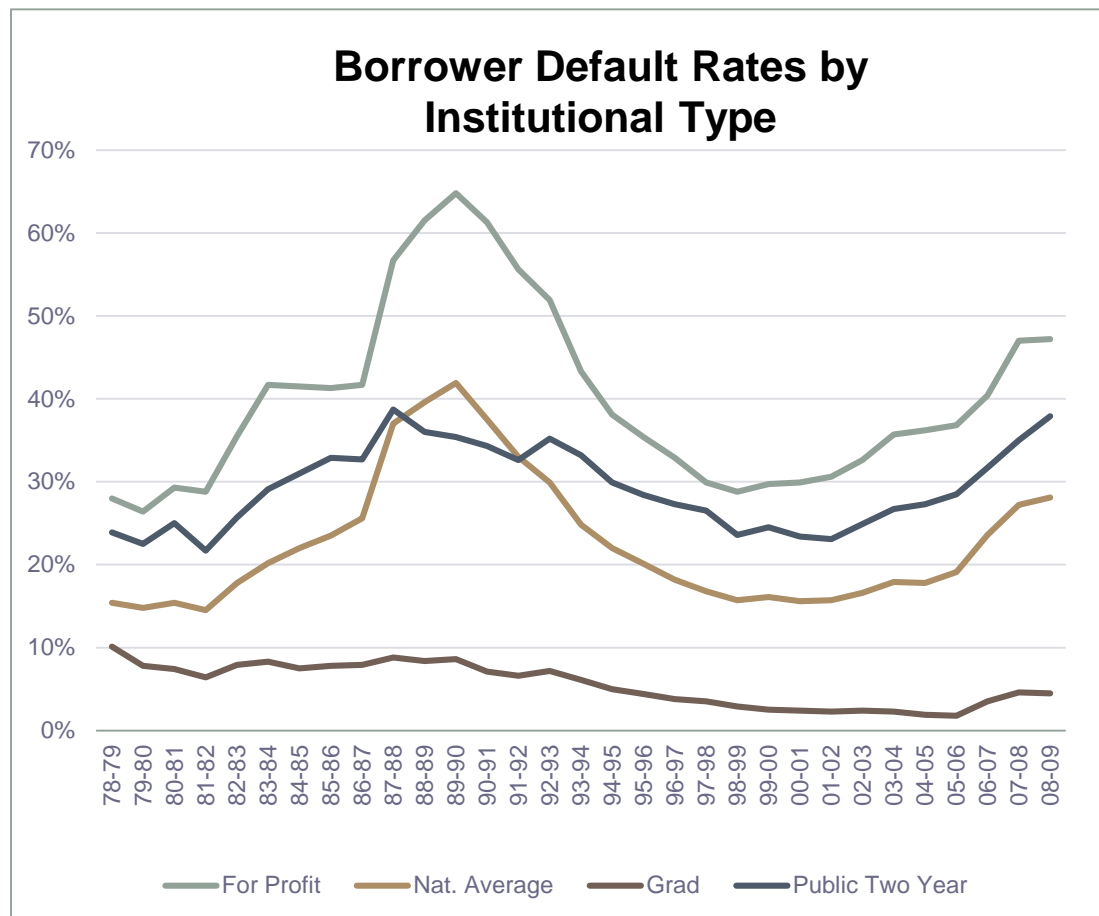


Source: College Board

Education is an investment that changes lives...



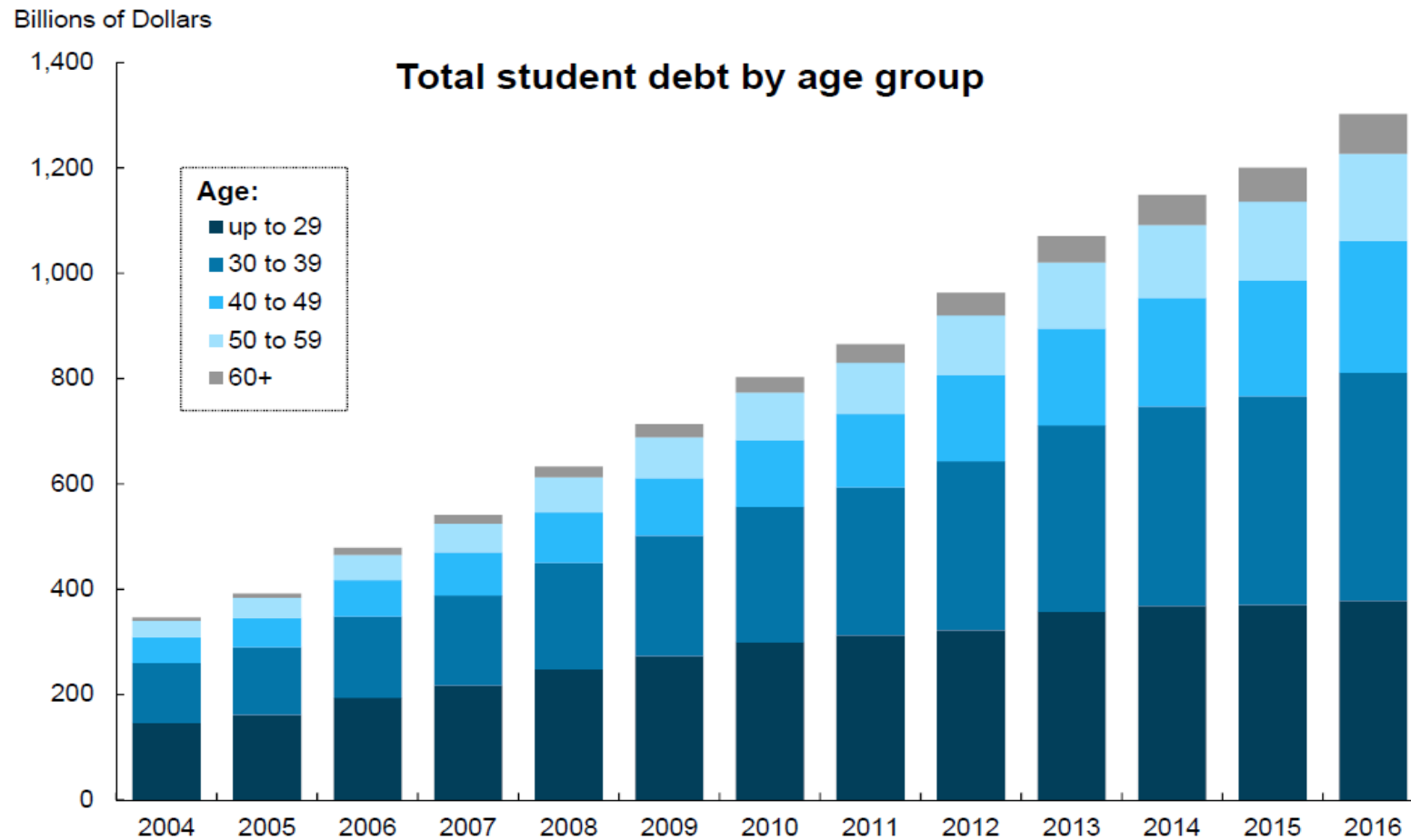
# Default Rates Are Correlated with Low Balances, Institution Type, and Non-Completion



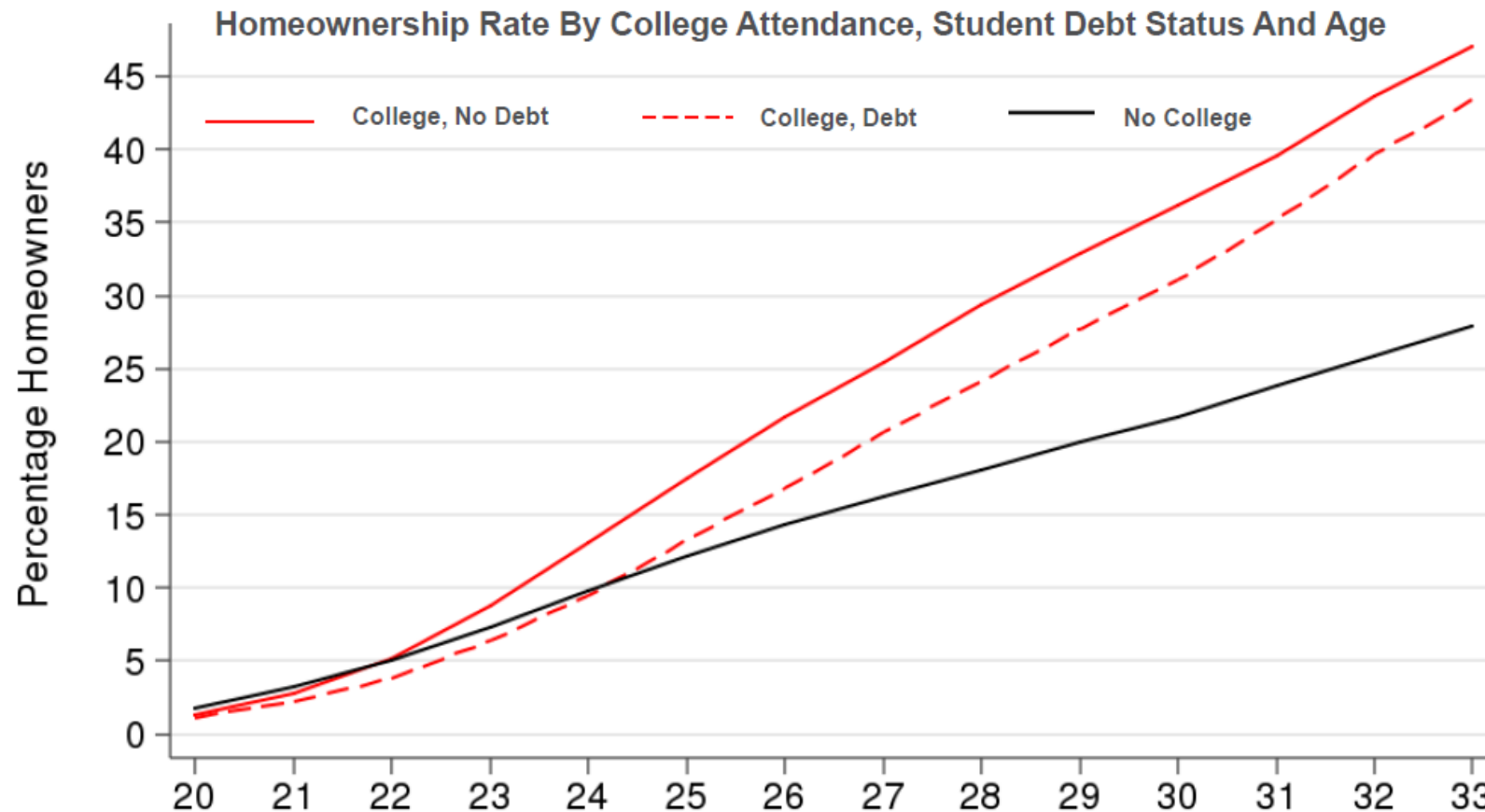
Source: College Board



# 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

