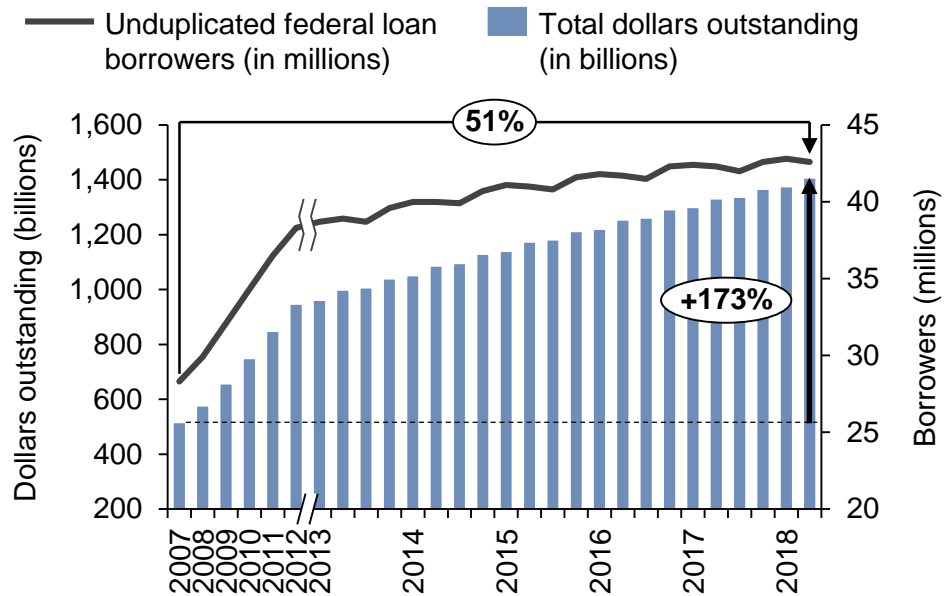


As more Americans pursue higher education and the cost of college continues to rise, the federal student loan portfolio has grown.

The number of individual student borrowers increased 51% since 2007, from 28.3 million to 42.6 million, as the aggregate dollars outstanding grew 173%, from \$516 billion to \$1.41 trillion (Fig. 1).

Fig. 1: Total federal student loan portfolio by borrowers and total dollars outstanding

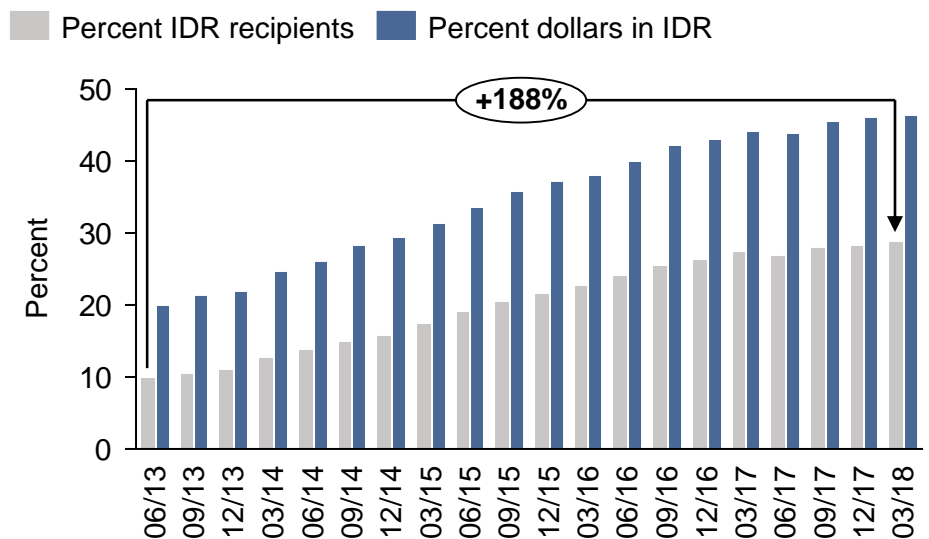


Notes: 2013 reflects the first year quarterly data was available; federal student loan portfolio includes Direct Loans, FFELP Loans, and Perkins Loans.
SOURCE: FSA Data Center, "[Federal Student Aid Portfolio Summary](#)"

Income-Driven Repayment (IDR) enrollment has increased over the last four years.

Since June 2013, the number of Direct Loan borrowers in IDR plans has grown from 1.6 million to 6.9 million. Nearly 30% of all borrowers and 46% of outstanding dollars are enrolled, with the share of Direct Loan recipients enrolled in IDR programs increasing 188%, and the balances enrolled increasing 132% (Fig. 2).

Fig. 2: Percent of Direct Loan borrowers enrolled and total dollars outstanding in IDR programs

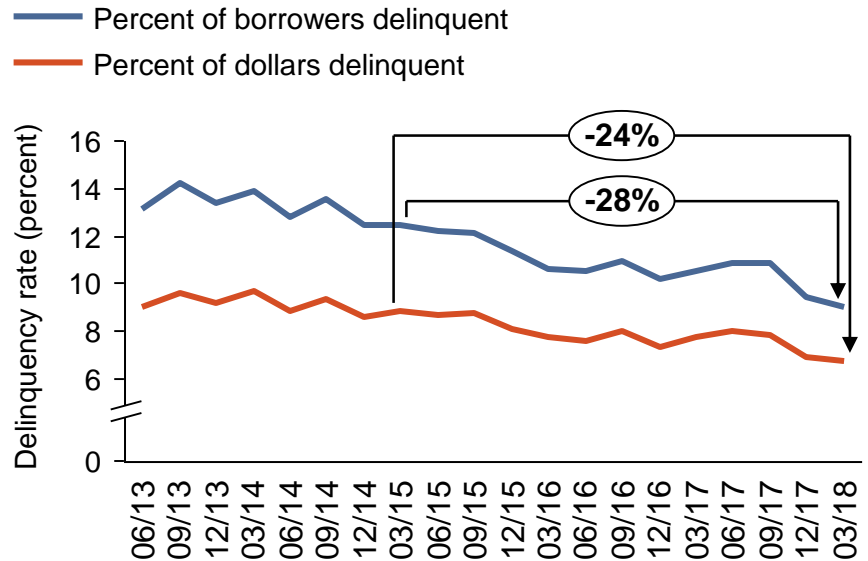


Notes: Percent calculated from IDR enrollment among all borrowers in repayment, forbearance, and deferment.
SOURCE: FSA Data Center, "[Direct Loan Portfolio By Repayment Plan](#)" & "[Direct Loan Portfolio By Loan Status](#)"

Federal loan delinquency rates have declined over the last three years.

In the past three years, the percent of federal borrowers who are seriously past due on their payments has decreased 28%, to 9% of all borrowers in March 2018. While the percent of federal dollars delinquent by 90 days or more has decreased by 24% (Fig. 3).

Fig. 3: Percent of Direct Loan borrowers and dollars 90+ days delinquent



Notes: Percent calculated from all seriously delinquent (90+ days) borrowers in repayment; because of seasonality when loans enter repayment, comparisons should be made on a year-over-year basis, not sequential quarters.

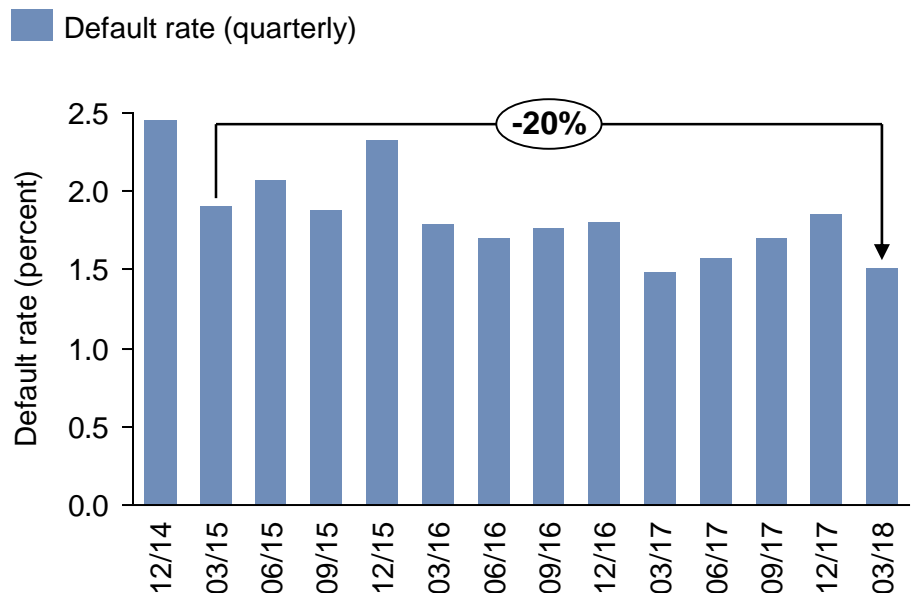
SOURCE: FSA Data Center, "[Direct Loan Portfolio By Delinquency Status](#)" & "[Direct Loan Portfolio By Loan Status](#)"

The rate of borrowers entering default is declining.

Since March 2015, the rate of federal borrowers entering default has decreased by 20% (Fig. 4).

While the number of borrowers in repayment has climbed 33% over the last three years, the actual number of borrowers defaulting has only increased 6%.

Fig. 4: Rate of Direct Loan borrowers entering default by quarter



Notes: Because of seasonality when loans enter repayment, comparisons should be made on a year-over-year basis, not sequential quarters; default rate is non-annualized, and represents unique borrowers entering default in the quarter as a percent of borrowers in repayment. According to FSA, "Because defaulted federal student loans are rarely written off, Federal Student Aid's open stock of defaults continues to grow even as delinquencies and new defaults have declined. For the fifth consecutive quarter, new Direct Loan defaults have decreased as a percentage of recipients in repayment the previous quarter."

SOURCE: FSA Data Center, "[Direct Loans Entering Default](#)"