



news release

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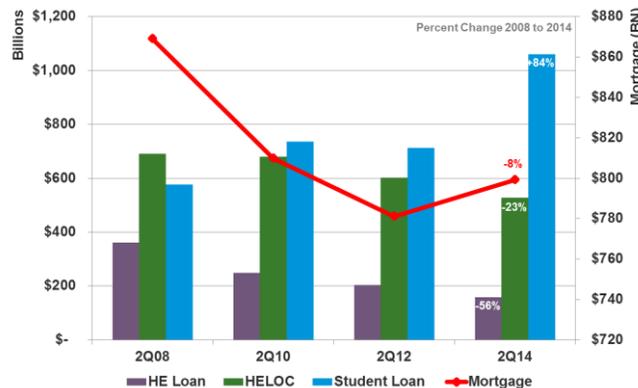
Experian analysis finds student loans increased by 84 percent since the recession; 40 million consumers now have at least one student loan

Student loans have become the second largest debt class behind mortgage

Costa Mesa, Calif., Sept. 9, 2014 — As college students across the country move into their dorm rooms, firm up their class schedules and embark on a new chapter in their lives, many will do so with the help of a student loan. Experian®, the leading global information services company, analyzed student loan trends spanning from 2008 through 2014 in the United States.

Findings from the study show that consumer debt is decreasing in every major consumer lending category, with the exception of student loans. Student loans increased by 84 percent since the recession (from 2008 to 2014) and surpassed home equity loans/lines of credit, credit card and automotive debt.

Student Loan Growth



As student loans are increasing, what does this landscape look like? Some of the key findings from a national perspective include:

- 40 million consumers have a least one open student loan
 - There are 3.7 open student loans per consumer
 - The average balance of these loans per consumer is \$29,000
 - The average balance per loan is \$9,000

“What is a really compelling statistic is that the average person has nearly four student loans,” said Michele Raneri, vice president of analytics, Experian. “Student loans are the only credit vehicle where a lender continues to extend credit year after year without knowing the person’s ability, or even willingness, to pay. The borrower may not yet have had the chance to demonstrate positive payment behaviors, which is a criteria used in other types of lending scenarios.”

Student loans can help build and establish credit history for young adults

The study took a closer look at the younger generation and found that there are 13 million consumers ages 18–34 that have at least one open student loan. The average VantageScore® credit score of those consumers is 640*, which is 20 points higher than the average for that age group. This indicates that student loans can help build and establish credit history for young adults and doing so responsibly potentially will increase their scores and the ability to get credit in the future. Other key findings in this age group include:

Ages 18–34 with student loans

Average income: \$41,800 per year
18 percent have a mortgage
Average mortgage payment: \$1,340
Average amount of student loans: \$27,305

All credit-active consumers ages 18–34

Average income: \$34,000 per year
13.1 percent have a mortgage
Average mortgage payment: \$1,312

Student loan debt at all time high

Overall, the total amount of student-loan debt has reached an all-time high of \$1.2 trillion. Currently, of all of the open student-loan accounts, 39 percent (\$417 billion) are in deferment and 61 percent (\$727 billion) are in repayment. Deferment is the period during which the consumer is typically not obligated to pay, and repayment is the period in which the borrower pays back the funds by making scheduled payments. Of the consumers who are currently in the repayment stage, their average payment is \$279 per consumer.

“Keep in mind that a student loan is a debt obligation just like any other,” said Rod Griffin, director of public education, Experian. “Once that loan is open, the lender may begin reporting it to the credit reporting companies. Missing payments affects your credit just like any other debt. Payment history is the most important factor in credit scores.”

Regional insights

Further findings in the study compared 90+ day delinquencies of student loan payments from a regional perspective and found the state with the most delinquencies was Mississippi and the state with the least amount of delinquencies was Massachusetts. See the chart below for the top and bottom states when it comes to late payments.

*VantageScore 3.0 was the credit score used in this study. The score’s range is 300–850.

Late student loan payments by state

Top five (Least amount of late payments)		Bottom five (Highest amount of late payments)	
State	Incidence of late payments	State	Incidence of late payments
Massachusetts	5.39 percent	Missouri	15.12 percent
Vermont	5.83 percent	Oklahoma	13.20 percent
Minnesota	6.05 percent	Louisiana	12.56 percent
North Dakota	6.19 percent	West Virginia	12.41 percent
New Hampshire	6.20 percent	Arkansas	12.35 percent

Experian's commitment to education

Consumers can connect with Experian and other leading institutions to learn more about student loans and finances by:

- Joining the #CreditChat hosted by [@Experian_US](#) on Twitter with financial experts and consumers every Wednesday at 3 p.m. Eastern time
- Visiting <https://www.saltmoney.org>, a free educational resource created by American Student Assistance® (ASA) to assist students in making better decisions about finances
- Reading the guest post from Paul Combe, president of the ASA, on [Experian's News Blog](#)
- Viewing tips from financial experts and consumers on [How to Handle Student Loans](#)
- Visiting Experian's [help site](#) answers to common questions, advice and education about consumer credit

Experian also offers personalized phone-based credit education sessions through the Experian [Credit EducatorSM](#) service. This approximately 35-minute one-on-one session provides consumers with their credit report, VantageScore credit score and insight for making future credit decisions. For a one-time fee of \$39.95, consumers are provided with the knowledge of an Experian Credit Educator agent, empowering them with the foundational education for understanding their credit situation and specific actions that can potentially improve their VantageScore.

About Experian

Experian is the leading global information services company, providing data and analytical tools to clients around the world. The Group helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended March 31, 2014, was US\$4.8 billion. Experian employs approximately 16,000 people in 39 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

For more information, visit <http://www.experianplc.com>.

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