



STUDENT
BORROWER
PROTECTION
CENTER

VIRGINIA21



VPLC
Virginia Poverty
Law Center



CRL
Center for Responsible Lending



Virginia

2020 State of Student Debt

Student debt across Virginia

1.04 million
student borrowers across VA¹

\$41.3 billion
outstanding student debt in VA²

\$40,457
average student loan balance in VA³

83,040
older Virginians (60+) owing student debt⁴

126,326
rural Virginians owing student debt⁵

138,815
borrowers in delinquency and default across VA⁶

¹ U.S. Dep't of Educ., Fed. Student Loan Data Center

² Fed. Res. Bank of NY

³ U.S. Dep't of Educ., Fed. Student Loan Data Center; Fed. Res. Bank of NY

⁴ Consumer Fin. Protection Bureau

⁵ Fed. Res. Bank of Philadelphia; U.S. Dep't of Agriculture; U.S. Dep't of Health & Human Serv.; U.S. Census Bureau

⁶ U.S. Dep't of Educ., Fed. Student Loan Data Center; Fed. Res. Bank of NY

Student Debt Across Virginia

\$4,819

**additional amount owed
by Virginia borrowers,
compared to national
average**

On average, Virginia borrowers owe nearly \$5,000 more in student loan debt than borrowers nationwide.¹ This debt burden impacts borrowers' ability to buy homes, start families, and save for retirement. In fact, research shows that for every additional \$1,000 owed in student loan debt, homeownership is delayed by 2.5 months.² For a 26-year-old Virginian owing \$40,000 in student debt, homeownership is delayed by ten years.

Over the last decade (2008-2018), growth in student debt across Virginia has outpaced national growth. Over the same period, student debt in Virginia grew by 144.7 percent compared to 120.6 percent nationally.³ This debt burden impacts neighborhoods and communities across the state, as student debt stymies economic mobility and wealth accumulation.

144.7%
**growth in student debt
across Virginia**

1-in-5

**Virginia consumers owe
student loan debt**

21.6 percent of consumers across Virginia owe student loan debt. In certain areas like Virginia Beach and Richmond, the percentage of consumers with student debt grows to approximately 25 percent.⁴

¹ Fed. Res. Bank of Philadelphia; U.S. Dep't of Agriculture; U.S. Census Bureau

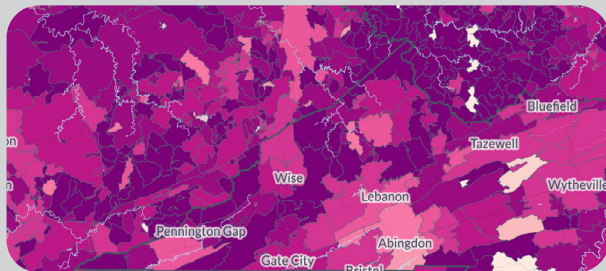
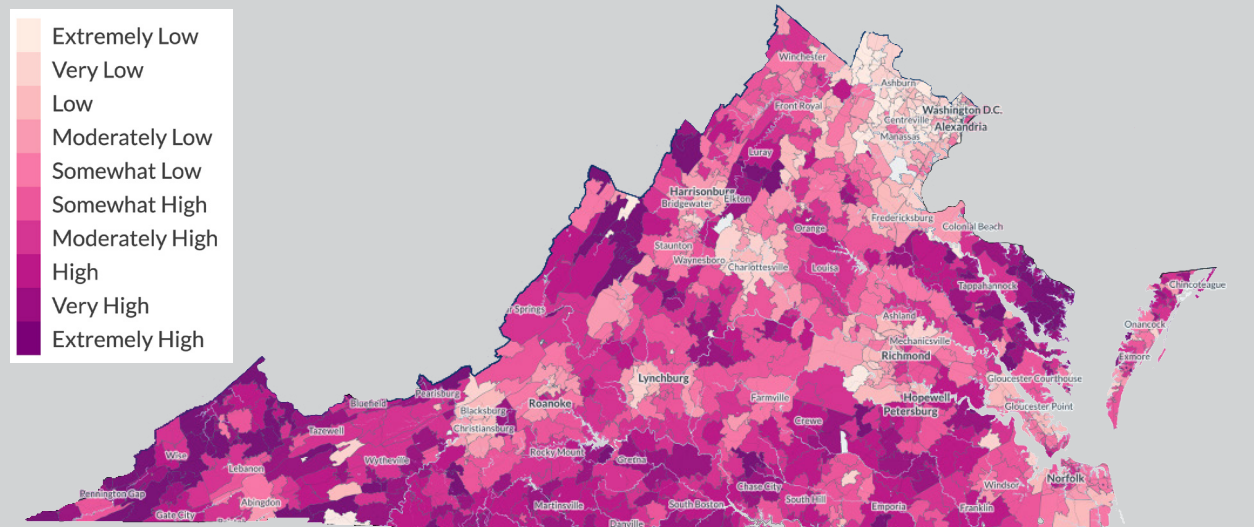
² Alvarro Mezza et al, *Student Loans and Homeownership*, Fed. Res. Board (2014)

³ U.S. Dep't of Educ., Fed. Student Loan Data Center

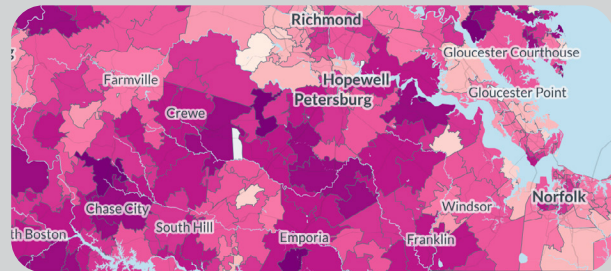
⁴ Fed. Res. Bank of Philadelphia

Student Debt Distress Across Virginia

Student loan delinquency and default rates¹



According to the Federal Reserve, student loan borrowers are less likely to remain in rural areas, and adults with the highest student loan balances are the most likely to migrate to cities.² This impacts critical professions across rural communities, like farming and health care.



Student debt has been deemed both a "cause and consequence" of racial inequality.³ Borrowers of color take on more debt to obtain higher education and disproportionately struggle during repayment. In fact, African American borrowers default at five times the rate of their white peers.⁴

¹ Washington Center for Equitable Growth, *Mapping Student Debt* (2015).

² Federal Reserve Board, *"Rural Brain Drain": Examining Millennial Migration Patterns and Student Loan Debt* (2019).

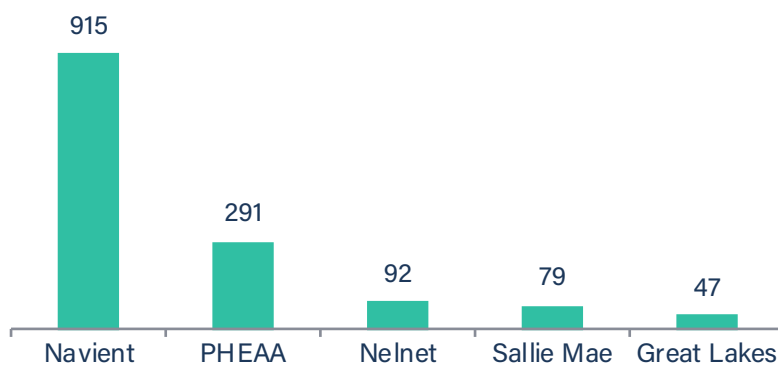
³ Jillian Berman, *All the ways student debt exacerbates racial inequality—'it's like landing in quick sand'*, MarketWatch (2019).

⁴ Judith Scott-Clayton, *The looming student loan default crisis is worse than we thought*, Brookings Institution (2018).

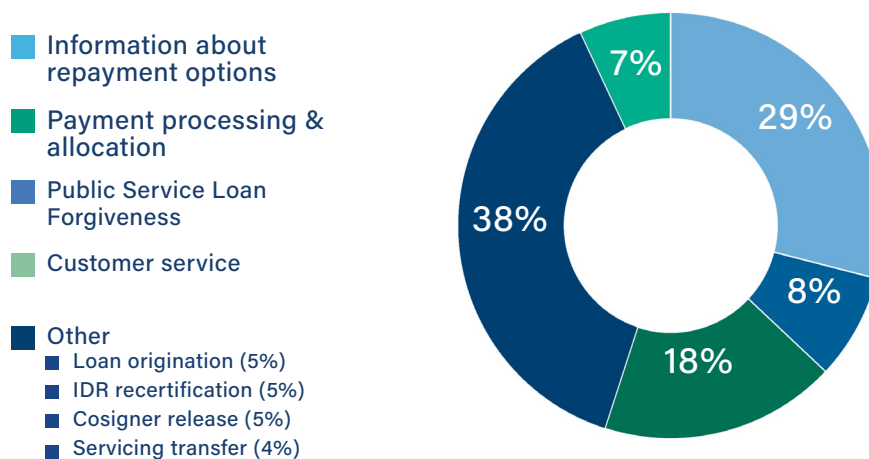
What Borrowers are Saying

Over 2,000 complaints submitted to the Consumer Financial Protection Bureau from Virginians with student debt

Top companies by complaint volume



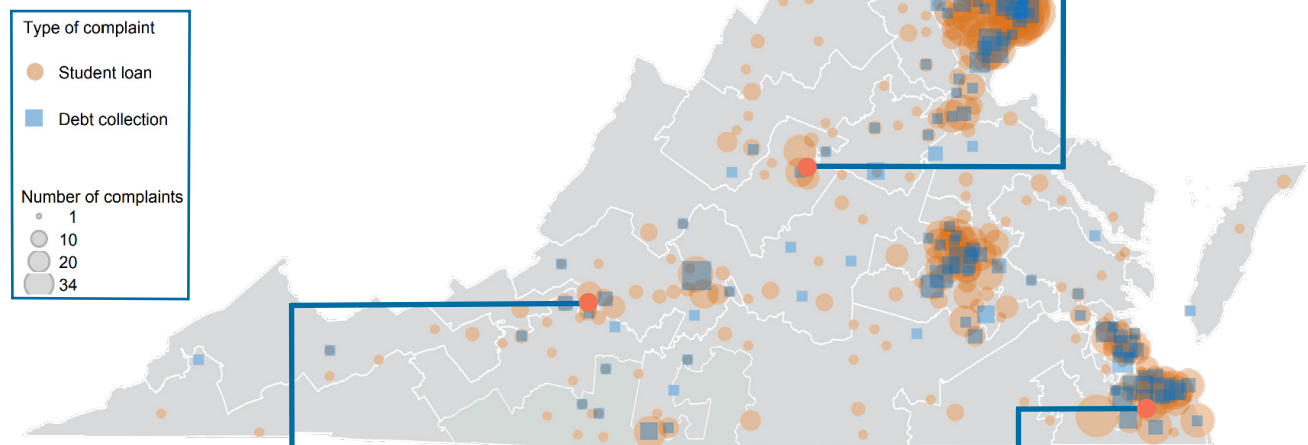
Issues identified in complaints



Analysis of issues identified in complaints is based on a sample of complaints with publicly available narratives, as published in the Consumer Financial Protection Bureau's Consumer Complaint Database.

What Borrowers are Saying

The following complaint narratives were submitted by student loan borrowers across Virginia and published in the Consumer Financial Protection Bureau's public complaint database.



I am a veteran and I was on a steady payment plan before Navient took over my loan. I paid faithfully every month and when they took over they stopped the payment plan I paying and started calling harassing me about paying excessive amounts when I was paying based on my income. I have put in for a hardship with them and they denied me once again still demanding a high monthly payment!

[I] was approved . . . for income based repayment. . . Every month there were issues of the repayment not being applied to all of my loans, building interest on forbearance. This has happened many times with in 1 year. Then they had me repay the loan and make payments out of the blue. When I call I am assured everything is fine. I am again being charged too early for my repayment plan. I am tired of the lies and the extra interest this company is making off of me for their errors.²

[M]y apartment suffered damage as a result of a hurricane . . . and Navient contacted me via email and instructed me to contact them if "you need payment help due to recent natural disasters." I did call them and was told that Navient wouldn't require payments for two months from the time of my call to help me out after the hurricane. What they didn't tell me was that interest would be accumulating as usual, so it would have been better off not to take the forbearance and just pay them while cleaning up after [the] hurricane. In addition, I accepted a [job] offer . . . primarily due to the public service debt repayment benefit. I was devastated to find out after accepting the job that I did not qualify [for] this program since my loans had been consolidated - this after already trying to pay them down for 20 years!³

1 Complaint 2299213

2 Complaint 2394581

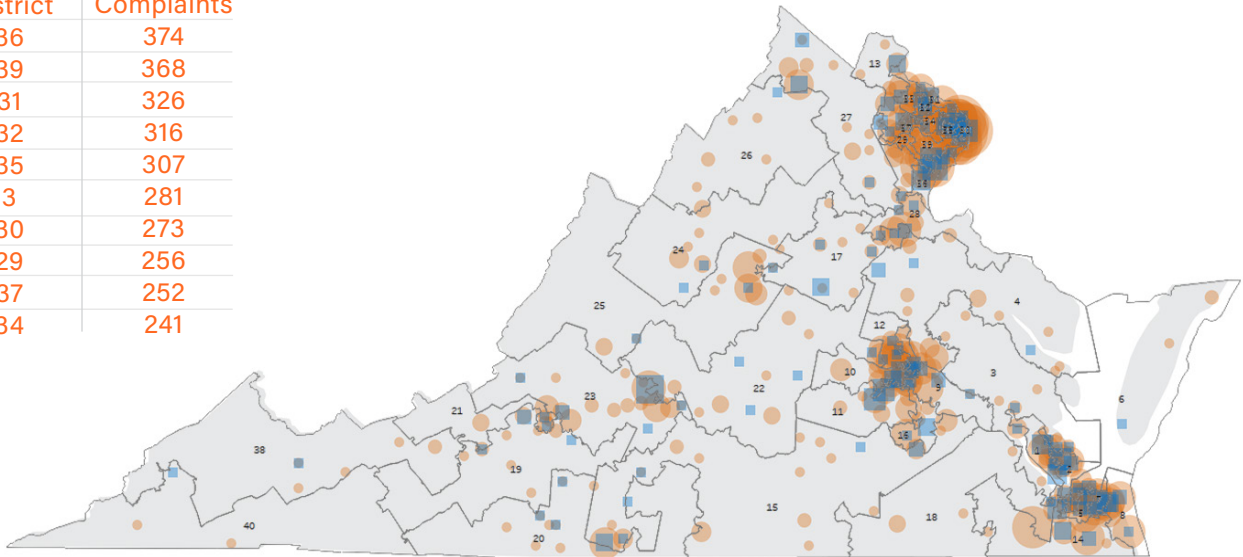
3 Complaint 2310664

Complaints by Legislative District

Virginia Senate

Top districts by complaint volume

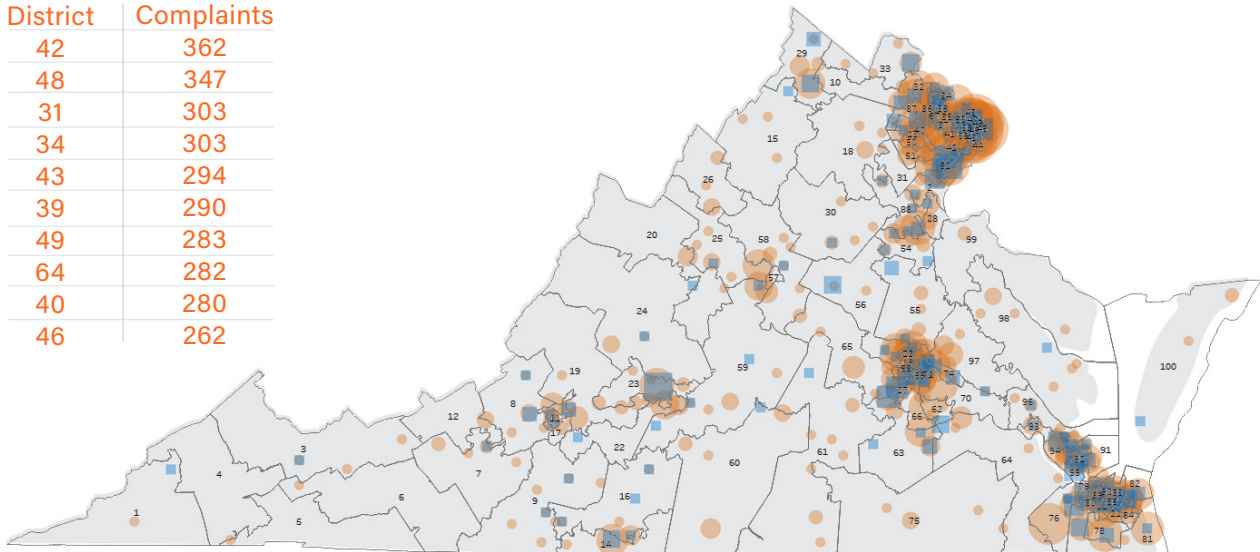
District	Complaints
36	374
39	368
31	326
32	316
35	307
3	281
30	273
29	256
37	252
34	241



Virginia House of Delegates

Top districts by complaint volume

District	Complaints
42	362
48	347
31	303
34	303
43	294
39	290
49	283
64	282
40	280
46	262



District location approximated based on available geodata published in the Consumer Financial Protection Bureau's Consumer Complaint Database. Accordingly, complaints may be counted in more than one district.

Tackling the student debt crisis in Virginia

76% of Virginia residents, including Republicans, Democrats, and Independents, support establishing a Student Loan Borrower Bill of Rights.¹

The Virginian-Pilot

Editorial: Debt burden from student loans keeps growing

By VIRGINIAN-PILOT EDITORIAL BOARD
JUN 25, 2018 | 12:00 AM

The amount of money owed on student loans recently reached \$1.5 trillion in the United States, with more than 44 million borrowers still paying off – with interest – the escalating costs of a college education.

Student loan debt now exceeds what Americans owe on car loans (\$1.1 trillion) and credit cards (slightly less than \$1 trillion), according to a CNN Money report. And the annual costs for tuition, and room and board, at colleges across the nation continue to rise at a much faster rate than inflation.



Delegate Mike Mullin
@mikemullin4VA

So I just found out that after 10 years of work in law-enforcement as a prosecutor, my government grad school loans were in the wrong format and I am not eligible for any sort of public-service #studentloan forgiveness.

Pardon me for a moment while I start throwing furniture.

2:21 PM · Aug 12, 2019 · Twitter for iPhone

17 Retweets 43 Likes



Delegate Mike Mullin @mikemullin4VA · Aug 12, 2019
Replying to @mikemullin4VA

It is absolutely insane that I have been out of grad school for 12 years, almost the entire time in law enforcement, and my #studentdebt burden is greater than most mortgages.

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fredericksburg.com

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EDITORIAL

Tuition and student debt continue to rise in Virginia

By Adam Hanna Capital News Service Apr 28, 2018

RICHMOND—Most students who graduated from Virginia's public colleges and universities last year left not only with a degree, but also with a financial burden: an average student loan debt of about \$30,000.

At Virginia Commonwealth University, once among Virginia's most affordable institutions, students owed an average of about \$29,000, according to the state's most recent statistics. As college and university tuition continues to rise, new laws that take effect this summer aim to help students get a grip on how much they owe.

Public News Service

Seniors Crushed by Student Loan Debt Push for Virginia 'Bill of Rights'

January 14, 2020

RICHMOND, Va. – Virginians age 50 and older are urging state lawmakers to pass a measure called the Borrower's Bill of Rights to help protect folks from potential predatory lending practices. Seniors are the fastest-growing population in the United States to become crippled by student-loan debt, according to a 2019 report by AARP.

Seventy-three year-old Virginian Norma Anderson is still paying for loans she took out to finish bachelor's and master's degrees 25 years ago. Because her lenders recommended that she defer payments while she was underemployed, she said an enormous amount of interest accrued on her loan and she now owes more than \$200,000.

¹ Progress Virginia, *Student Debt Becoming a Bright Line Issue in Virginia Elections* (Aug. 2017), <https://progressva.org/>