Virginia

2020 State of Student Debt
Student debt across Virginia

1.04 million
student borrowers across VA\(^1\)

$41.3 billion
outstanding student debt in VA\(^2\)

$40,457
average student loan balance in VA\(^3\)

83,040
older Virginians (60+) owing student debt\(^4\)

126,326
rural Virginians owing student debt\(^5\)

138,815
borrowers in deliquency and default across VA\(^6\)

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\(^1\) 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
\(^6\) 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

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. This debt burden impacts neighborhoods and communities across the state, as student debt stymies economic mobility and wealth accumulation.

On average, Virginia borrowers owe nearly $5,000 more in student loan debt than borrowers nationwide. 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. For a 26-year-old Virginian owing $40,000 in student debt, homeownership is delayed by ten years.

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.

1 Fed. Res. Bank of Philadelphia; U.S. Dep’t of Agriculture; U.S. Census Bureau
3 U.S. Dep’t of Educ., Fed. Student Loan Data Center
Student Debt Distress Across Virginia

Student loan delinquency and default rates

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. 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. 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.

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).
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

![Bar chart showing complaint volume for different companies.]

Issues identified in complaints

- Information about repayment options: 38%
- Payment processing & allocation: 29%
- Public Service Loan Forgiveness: 18%
- Customer service: 7%
- Other: 8%
  - Loan origination (5%)
  - IDR recertification (5%)
  - Cosigner release (5%)
  - Servicing transfer (4%)

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] 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.

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.

[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.

1 Complaint 2299213
2 Complaint 2394581
3 Complaint 2310664
Complaints by Legislative District

**Virginia Senate**

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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.

**Virginia House of Delegates**

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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

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