



**On Pandemics and Payment Pauses:
*A National Survey on Borrower Preparedness
to Re-Enter Student Loan Repayment***

About



- ▶ **Established:** In 1967 as a student loan guaranty agency, expanded to include Federal Direct Loan Servicing for the Department of Education, sold servicing to Nelnet in 2018.
- ▶ **Currently:** A nonprofit, student loan guarantor, a philanthropy whose mission is to elevate opportunities and outcomes for low-income learners, and provider of the **Attigo® Suite** of solutions which help individuals and organizations achieve their goals.
- ▶ **Based:** Madison, Wisconsin
- ▶ **Employees:** 250+

- ▶ Pre-COVID State of Student Loan Debt
- ▶ COVID Hits
- ▶ Ascendium Borrower Survey
- ▶ Borrower Support Services

Agenda

Pre-COVID State of Student Loan Debt



and counting
by year end



increase in IDR
participation over past
decade, driving cumulative
student debt higher

▶ Delinquencies/defaults

- ▶ Very strong possibility that students previously at risk could be at greater risk as a result of sluggish economy

Student Attitudes & Challenges



Financial stress:
need to work multiple jobs,
friction in relationships



Student loan debt delays key life decisions:
getting married, starting a family, buying a
home



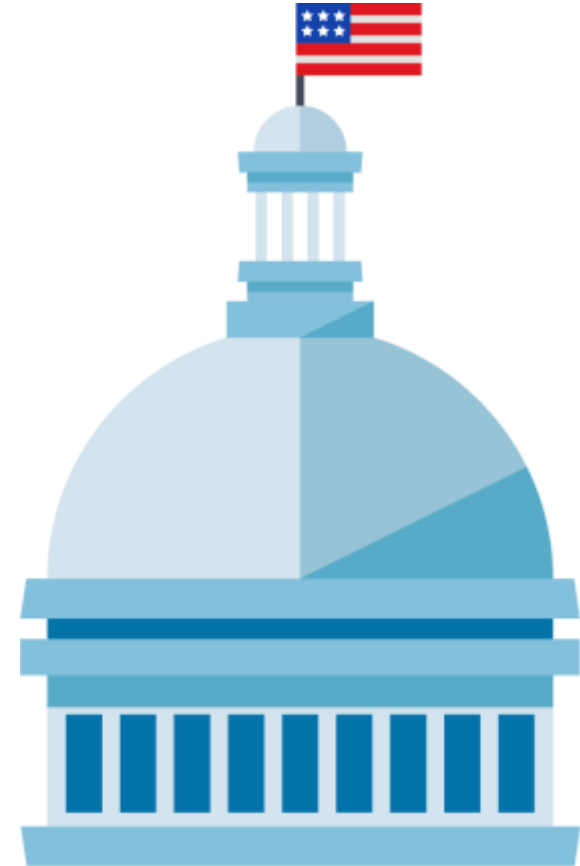
Questioning:
is degree worth long-term and
personal cost?



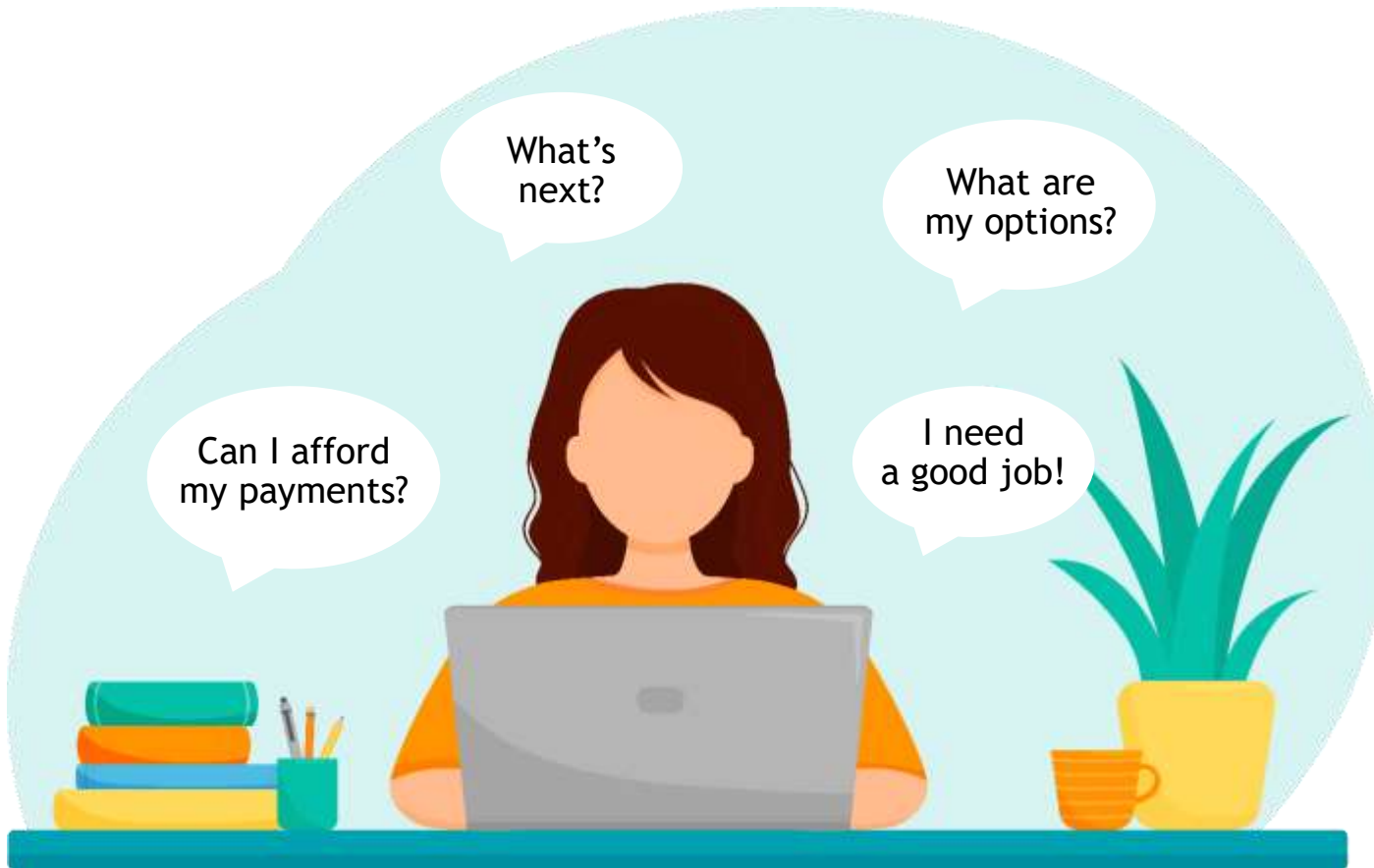
COVID Hits

Post COVID Update

- ▶ Review of President's Executive Order
- ▶ Unknown future plans, potential impact of election, etc.
- ▶ Impact of the election?



Post COVID Update—Student Perspective



Post COVID Update

- ▶ Borrowers may resume repayment in first half of 2021
- ▶ Continued health concerns, high unemployment
- ▶ Delinquencies/defaults
 - ▶ Potential mass movement toward default



Ascendium Borrower Survey—Framework



Goal:

Assess borrower readiness to reenter repayment



Survey methodology:

September 2020
Post school population
Grace - 3 years repayment



Response:

Nearly 10,000 student loan borrower respondents



Borrower demographics:

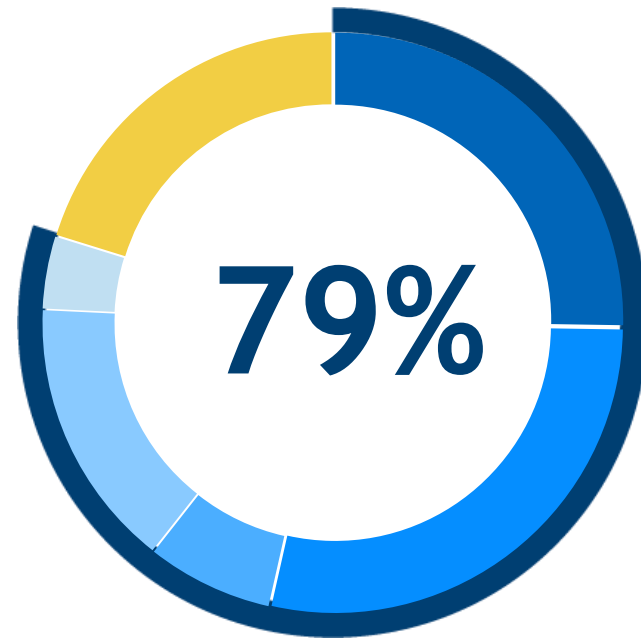
Degree type
Institution type
Employment status



Go to attigo.com/BorrowerSurveyResults

Preliminary Survey Findings

▶ **79%** have challenges that will impact their ability to pay once the suspension period ends.



- Unemployment 25%
- Underemployment 28%
- Illness 7%
- Plan to Defer 15%
- Other 4%
- Prepared to Start Paying 20%

Preliminary Survey Findings



- ▶ Don't know what their monthly payment will be once the suspension ends.

Preliminary Survey Findings



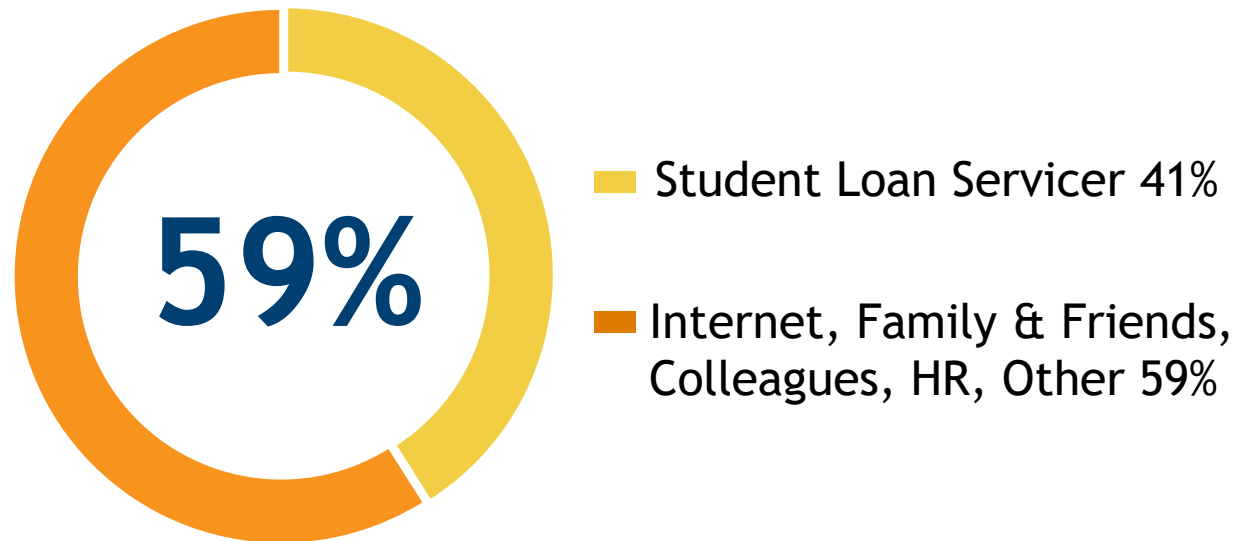
▶ 33% don't know what repayment plan they'll use.



▶ 64% don't know how to implement an alternative plan.

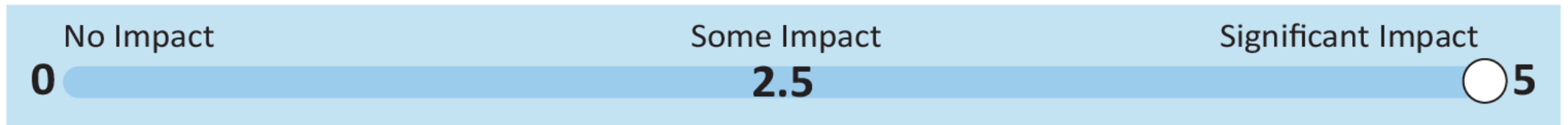
Preliminary Survey Findings

- ▶ While most are satisfied with the support they get from their loan servicer, more than half are using less trustworthy sources like “internet research” and “family and friends” for student loan information.

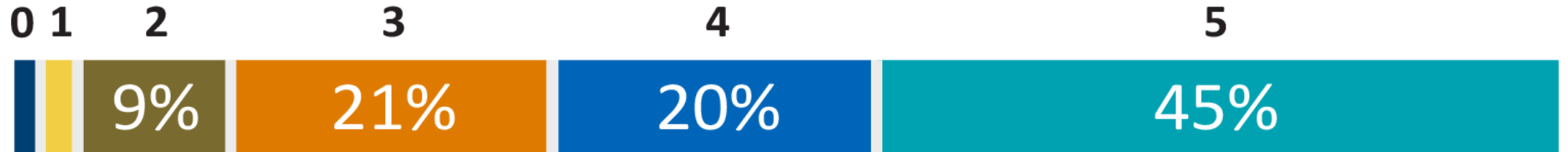


Preliminary Survey Findings

- ▶ Question: How much stress or influence on major life decisions (e.g., home ownership) do your student loans have on your life?



- ▶ **45%** report student loans have significant impact on life decisions.



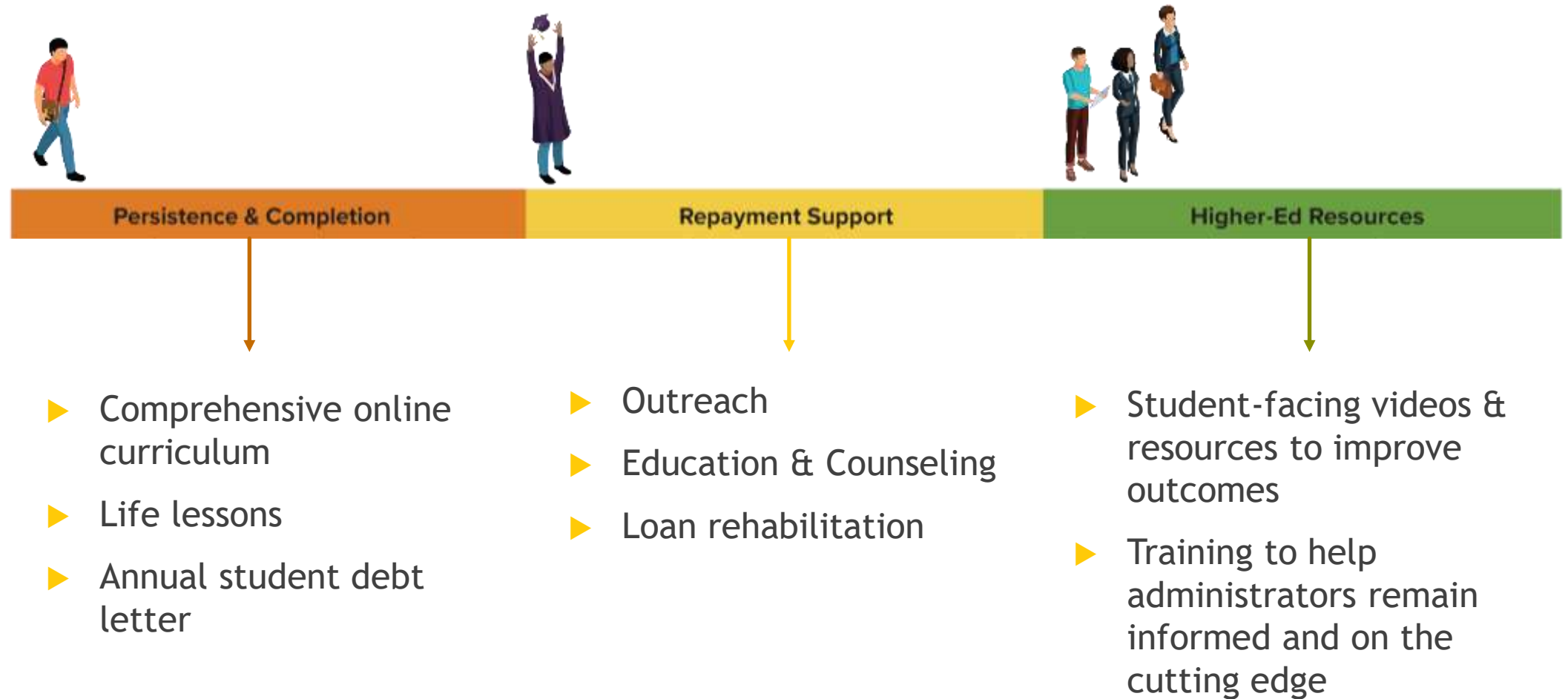
Preliminary Survey Findings

80%



- ▶ **80%** would utilize a trustworthy and established student loan counseling service if offered by their school, bank, or employer for free.

Borrower Support Services



Thanks for Attending

- ▶ Visit attigo.com to learn more about our student success programming



Go to attigo.com/BorrowerSurveyResults