



PRIVATE STUDENT LOAN REPORT

MeasureOne’s semi-annual Private Student Loan Report is the standalone resource for data and analytics on the private student loan market, including repayment and delinquency trends, as well as loan performance activity among borrowers and lenders. It cuts through the noise and the rhetoric to give data-driven performance reports and analysis that provide critical clarity in a challenging and often misrepresented sector.

KEY PERFORMANCE AND PORTFOLIO METRICS SUMMARY

		Current Year	Previous Year	Year-over-year % change
Performance Metrics	Reporting Quarter	2018 Q1	2017 Q1	2018 Q1
	30-89 (% of Repay)	2.75%	2.51%	+9.43%
	90 + (% of Repay)	1.49%	1.88%	-20.63%
	Ann. Charge-offs (% of Repay)	1.77%	2.20%	-19.63%
	Forbearance (% of Total)	2.52%	2.17%	+16.01%

		Current Year	Previous Year	Year-over-year % change
Portfolio Metrics	Grace (% of Total)	2.31%	2.18%	+6.24%
	Deferment (% of Total)	21.11%	20.08%	+5.08%
	Repayment (% of Total)	74.06%	75.56%	-2.00%
	Undergraduate (% of Total)	88.31%	86.78%	+1.77%
	Graduate (% of Total)	11.69%	13.22%	-11.63%
	Current Balance	\$67.12 B	\$64.87 B	+3.46%

The report shows families continue to successfully manage private student loans by consistently demonstrating that credit-based underwriting and a high percentage of cosigners leads to positive trends in terms of repayment, delinquencies and charge-offs.

KEY OBSERVATIONS FROM THE CURRENT REPORT (Q1 2018)

Summary:

PSL Report - Q1 2018

The Early-stage Delinquency rate (30-89 days past due) is 2.75% of loans in repayment. At end-Q1 2018, it is 26.27% lower compared to five years ago. For undergraduate loans, it is 2.86% at end-Q1 2018, compared to the peak rate of 8.64% at end-Q4 2008. For graduate loans, it is 1.80% at end-Q1 2018, compared to the peak rate of 3.97% at end-Q4 2009.

The Late-stage Delinquency rate (90 days or more past due) is 1.49% of loans in repayment. At end-Q1 2018, it is 51.26% lower compared to five years ago. Both undergraduate and graduate late-stage delinquencies are at the lowest levels for a Q1. For undergraduate loans, it is 1.58% at end-Q1 2018, compared to the peak rate of 7.28% at end-Q2 2009. For graduate loans, it is 0.78% at end-Q1 2018, compared to the peak rate of 2.71% at end-Q1 2010.

Annualized Gross Charge-off rate is 1.77% of loans in repayment. At under 2%, this is the lowest charge-off rate in any quarter since 2008. 51.10% lower compared to five years ago, when charge-off rate was 3.62% (at the end of Q1 2013).

At end-Q1 2018 as a share of Total Outstanding loan balances, loans in Repayment were 74.06%, loans in Deferment were 21.11%, loans in Forbearance were 2.52%; and loans in Grace were 2.31%.

The Total Outstanding balance for private student loan participants of this report was \$67.12 B. Driven in part by loan purchases from outside the participants of the MeasureOne PSL Report. Undergraduate loans are 88.31% of outstanding balance, while graduate loans accounted for 11.69%.

Private student loan originations in AYTD 2017/18 (Jul 2017 to Mar 2018) were \$7.54 B. Of this total, undergraduate loans account for 89.17% and graduate loans account for 10.83%.

91.74% of newly originated undergraduate private student loans had a cosigner in AYTD 2017/18, compared to AY 2008/09 when it was 74.55%. The corresponding share for graduate loans in AYTD 2017/18 was 62.73%.

The biannual report is a joint effort between MeasureOne and the largest lenders of school-certified private student loans to increase transparency in the market and encourage accurate, data-centric reporting.

MEASUREONE PRIVATE STUDENT LOAN CONSORTIUM MEMBERS

MeasureOne has created the Private Student Loan Consortium, a data cooperative of the nation's largest lenders and holders of private student loans, including members from the Education Finance Council.

<https://measureone.com/psl.php>