



STUDENT LOAN DEBT CRISIS SURVEY

February 7, 2012

METHODOLOGY







During January 2012, the National Association of Consumer Bankruptcy Attorneys (NACBA) invited more than 4500 of its members to participate in an online survey. With 860 completed responses tallied, the online survey attracted a high percentage (19 percent) of potential respondents.

The full survey questions and responses are set out in this document.

HIGHLIGHTS OF SURVEY FINDINGS

- More than four out of five (81 percent) bankruptcy attorneys say that potential clients with student loan debt have increased “significantly” or “somewhat” in the last three-four years. Overall, about half (48 percent) of bankruptcy attorneys reported significant increases in such potential clients.
- Nearly two out of five (39 percent) of bankruptcy attorneys have seen potential student loan client cases jump 25-50 percent in the last three-four years. About a quarter (23 percent) of bankruptcy attorneys have seen such cases jump by 50 percent to more than 100 percent.
- Most bankruptcy attorneys (95 percent) report that few student loan debtors are seen as having any chance of obtaining a discharge as a result of undue hardship.
- More than four out of five (82 percent) bankruptcy attorneys see the limited availability of student loan discharge in bankruptcy as “a big problem” barring a fresh start for clients.
- Seven out of 10 bankruptcy attorneys see the lack of ability to separately classify student loans debts for debtors using chapter 13 as a “big problem.”
- Nearly two out of three bankruptcy attorneys (65 percent) say that student loan provider debt collections have become “much more” or “somewhat more” aggressive in the last 18 months.
- More than three out of five (61 percent) of bankruptcy attorneys dealing with potential student loan debtor clients have seen cases of debts more than 15 years old still being pursued.

1. During the past 3-4 years, what has been your experience in dealing with potential clients with student loan debt:

		Response Percent	Response Count
Significantly increased		47.5%	404
Somewhat increased		33.3%	283
Somewhat decreased		0.2%	2
Significantly decreased		0.5%	4
Stayed the same		14.8%	126
Don't know, not sure		3.6%	31
	Other (please specify)		18
		answered question	850
		skipped question	10







2. What is the typical age of potential clients with unmanageable student loan debt?

	0-25%	26-50%	51-75%	75-100%	Response Count
20-25	60.1% (265)	28.8% (127)	7.9% (35)	3.2% (14)	441
26-35	17.5% (114)	51.4% (335)	27.9% (182)	3.2% (21)	652
36-45	27.7% (165)	49.4% (294)	19.7% (117)	3.2% (19)	595
46-55	55.9% (223)	30.6% (122)	10.3% (41)	3.3% (13)	399
56-65	79.4% (220)	13.0% (36)	5.1% (14)	2.5% (7)	277
65+	93.0% (200)	3.7% (8)	0.9% (2)	2.3% (5)	215
Don't know, not sure	60.0% (30)	8.0% (4)	0.0% (0)	32.0% (16)	50
			Other (please specify)		24
			answered question		780
			skipped question		80

3. Among potential clients with unmanageable student loan debt, the percentages who attended the following types of schools are:

	0-25%	26-50%	51-75%	76-100%	Response Count
For-profit schools (cosmetology, truck-driving, on-line etc.)	42.2% (258)	31.6% (193)	21.1% (129)	5.1% (31)	611
Not-for-profit colleges and universities	11.8% (77)	28.0% (183)	38.9% (254)	21.3% (139)	653
Don't know/not sure	48.3% (72)	16.1% (24)	6.7% (10)	28.9% (43)	149
			Other (please specify)		11
			answered question		781
			skipped question		79

4. Over the past 3-4 years, if you have seen an increase in the number of potential clients with unmanageable student loan debt, would you say it as been:

		Response Percent	Response Count
10-25% increase		20.2%	155
26-50% increase		39.9%	306
51-100% increase		17.2%	132
Over 100% increase		5.6%	43
Did not see an increase		9.1%	70
Don't know, not sure		7.8%	60
	Other (please specify)		15
		answered question	766
		skipped question	94

5. How much does the typical potential client with student loan debt have in outstanding student loan debt ?

	0-25% of clients	26-50% of clients	51-75% of clients	76-100% of clients	Response Count
Under \$10,000	85.1% (268)	12.4% (39)	2.2% (7)	0.3% (1)	315
\$10,000 - \$25,000	38.4% (188)	47.6% (233)	12.4% (61)	1.6% (8)	490
\$25,999 - \$50,000	23.5% (147)	51.2% (320)	21.9% (137)	3.4% (21)	625
\$50,999 - \$100,000	45.9% (236)	33.3% (171)	16.7% (86)	4.1% (21)	514
Over \$100,000	75.4% (270)	12.3% (44)	7.8% (28)	4.5% (16)	358
Don't know/not sure	66.7% (18)	11.1% (3)	0.0% (0)	22.2% (6)	27
			Other (please specify)		8

answered question 763

skipped question 97

6. Please indicate the percentages of potential clients with unmanageable student loan debt by employment status:

	0 - 25% of clients	26 - 50% of clients	51 - 75% of clients	75 - 100% of clients	Response Count
Employed	22.9% (149)	37.6% (245)	28.4% (185)	11.1% (72)	651
Unemployed/seeking employment	53.7% (324)	37.3% (225)	7.8% (47)	1.2% (7)	603
Underemployed	35.8% (207)	40.5% (234)	19.6% (113)	4.2% (24)	578
Still in school	87.5% (260)	11.1% (33)	0.3% (1)	1.0% (3)	297
Don't know/not sure	80.4% (37)	8.7% (4)	0.0% (0)	10.9% (5)	46
			Other (please specify)		13

answered question 748

skipped question 112

7. Please indicate the percentage of your potential clients who, with or without your help, tried to get an undue hardship discharge of their student loans:

	0-25% of clients	26-50% of clients	51-75% of clients	76-100% of clients	Response Count
Tried	78.4% (330)	10.9% (46)	5.7% (24)	5.0% (21)	421
Did Not Try	15.4% (82)	4.5% (24)	19.2% (102)	60.8% (323)	531
Don't know/not sure	57.6% (102)	10.2% (18)	5.6% (10)	26.6% (47)	177

Other (please specify) 18

answered question 743

skipped question 117

8. How many of your potential clients who are student loan debtors have a good chance of obtaining an undue hardship discharge?




		Response Percent	Response Count
All or nearly all of them		0.5%	4
Most of them		2.5%	19
Few of them		20.2%	151
None or nearly none of them		73.8%	551
Don't know/not sure		2.9%	22

Other (please specify) 30







answered question 747

skipped question 113

9. Have you seen any potential clients being pursued for student loans that are more than 15 years old?

		Response Percent	Response Count
Yes		60.7%	455
No		19.9%	149
Don't know/not sure		19.4%	145
Other (please specify)			5
answered question			749
skipped question			111

10. What statement best represents your experience of the collection efforts of student loan providers during the past 18 months:

		Response Percent	Response Count
Much more aggressive		32.1%	239
Somewhat more aggressive		33.2%	247
About the same		25.1%	187
Somewhat less aggressive		1.3%	10
Much less aggressive		0.4%	3
Don't know/not sure		7.9%	59
Other (please specify)			10
answered question			745
skipped question			115

11. How would you rank the limited availability of the student loan discharge in bankruptcy as a barrier to a fresh start for clients?

		Response Percent	Response Count
A big problem		82.3%	612
Somewhat problematic		15.9%	118
Not problematic		1.2%	9
Don't know/not sure		0.7%	5
	Other (please specify)		15
answered question			744
skipped question			116

12. How would you rank the lack of ability to separately classify student loans debts for debtors using chapter 13?

		Response Percent	Response Count
A big problem		70.2%	518
Somewhat problematic		22.6%	167
Not problematic		1.8%	13
Don't know/not sure		5.4%	40
	Other (please specify)		24
answered question			738
skipped question			122