

A recent analysis of individual credit data by Donghoon Lee of the Federal Reserve Bank of New York found that student loans are the one category of household debt that continued to rise during the Great Recession. As of the end of 2012, student loans came to nearly a trillion dollars, more than total credit card debt, auto loans, or home equity lines of credit.

The explosion in student debt has primarily been driven by federal funding. Historically this took two forms. The first was the Federal Family Education Loan Program, which provided federal guarantees of loans made to students by nonfederal entities. The GAO estimated that FFEL loans outstanding as of the end of fiscal year 2009 stood at \$493 B. This program was discontinued as part of the Health Care and Education Reconciliation Act of 2010. No new guarantees were issued after that date, though the Department of Education remained liable for guarantees previously issued.

(Fonte: roars e www.econbrowser.com 04-05-2013)