

Avoiding Student Debt Relief Scams



You do not need to pay someone to obtain student loan relief. If you are having trouble paying your student loan, talk to your student loan servicer. There are a number of options available for borrowers. For federal loans, borrowers can consolidate their loans and/or enroll in an income based repayment plan at no cost through the US Department of Education. For more information visit www.studentaid.ed.gov or by calling 1-800 - 557-7392.

Avoid companies that require payment before services are rendered. It can be a sign of a scam if the debt relief company requires high upfront fees or recurring monthly fees after services are performed.



Be wary of “special deals” or promises of “loan cancellation.” Debt relief companies do not have the ability to negotiate or obtain a better deal for consumers under federal student loan programs. Repayment levels and forgiveness programs are set by federal law and are not subject to negotiation.

False government affiliation. Avoid companies that try to appear sanctioned by or affiliated with the government.



Avoid signing a power of attorney or a third party authorization. These agreements allow them make decisions on your behalf that may be made without your knowledge and not to your benefit.



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