

3 WAYS TO SPOT STUDENT LOAN SCAMS



Picture this: you receive a call from an unknown number, and the person on the other end of the phone is promising to help you pay off your student loans. All you need to do is provide some personal information and pay an upfront fee. It sounds too good to be true, right? It probably is.

Even if you haven't gotten a phone call exactly like that, you have probably seen countless ads on social media offering to help you manage your student loan debt.

While the U.S. Department of Education (ED) does offer some legitimate [student loan forgiveness programs](#) and ways to [lower your student loan payments](#), they are all free to apply for through your official [loan servicer](#). Don't pay for help when you can get it for free!

Here are some signs that you're talking to a student loan debt relief company that could potentially scam you, instead of ED or an official federal student loan servicer:

1. YOU'RE ASKED TO PAY AN UPFRONT COST OR MONTHLY FEES

A student loan debt relief company asks you for payment in exchange for help navigating your student loans. However, there's nothing they can do that you can't do yourself, especially with the help of your loan servicer.

If you're having a hard time making your monthly payments, your loan servicer can work with you to switch to a more affordable repayment plan at any time, at no additional cost to you.

Your loan servicer works on behalf of ED to:

- Collect your loan payments
- Answer any questions you have about your loans
- Help you decide which repayment plan best suits you
- Help you switch to a new plan at **no cost**.

[Not sure how to contact your loan servicer? Find out here.](#)

A few of our tools can help you prepare yourself for the conversation with your loan servicer, including the [Loan Simulator](#) that allows you to understand the plans available with estimated monthly payments.

2. YOU'RE PROMISED IMMEDIATE LOAN FORGIVENESS

No one can promise immediate and total student loan forgiveness or cancellation. A student loan debt relief company may claim to get rid of your loans quickly, but most government forgiveness programs require many years of qualifying payments and/or qualifying employment in certain fields before loans can be forgiven.

[Find out from ED directly whether you qualify for loan forgiveness](#) due to your job, disability, the closure of your school, or other circumstances. Your loan servicer can also help you determine if you qualify for loan forgiveness, at no cost.

3. YOU MUST PROVIDE YOUR FSA ID PASSWORD

Neither ED nor your loan servicer will ask you for your FSA ID password. Your FSA ID is used to sign legally binding documents electronically. It has the same legal status as a written signature. Do not give your FSA ID password to anyone or allow anyone to create an FSA ID for you.

If you share this information or sign a Power of Attorney, you're giving a debt relief company the authority to take any action they choose, make decisions for you, and act on your behalf.

And if the debt relief company collects fees from you, but never actually makes any payments on your behalf, you will still be responsible for those outstanding payments, interest accruals, and late fees.

THINK YOU'VE ALREADY BEEN SCAMMED?

The Federal Trade Commission (FTC) has taken legal action against the following student loan debt relief companies:

- [A1 DocPrep, Inc.](#)
- [American Student Loan Consolidators \(ASLC\)](#)
- [Alliance Document Preparation](#)
- Student Aid Center
- Strategic Student Solutions
- [Student Debt Doctor \(SDD\)](#)
- [Student Debt Relief Group \(SDRG\)](#)

If you have already turned over your personal information or paid a student loan debt relief company, consider one or all the following options:

- [Log in and change your FSA ID](#). Do NOT share your new FSA ID password with anyone.
- Contact your loan servicer to revoke any power of attorney or third-party authorization agreement that your servicer has on file. You should also make sure no unwanted actions were taken on your loans.
- Contact your bank or credit card company and request that payments to the student loan debt relief company be stopped.
- [File a complaint with the FTC](#).
- File a report of suspicious activity through the [Federal Student Aid Feedback System](#).