



Safeguard Yourself Against Student Loan Scams

As we usher in fall, millions of borrowers are resuming their monthly student loan payments. But unfortunately, students aren't the only individuals with money on their mind. If you're a student or graduate, it's crucial to be aware of online scammers who target borrowers with the aim of cashing in. Here are some strategies for protecting yourself and your finances.

Recognize Common Scams

Safeguarding yourself begins with awareness. Here are some of the most prevalent student loan scams:

1. **Advanced Fee:** Scammers promise to reduce your loan balance or lower interest rates in exchange for an upfront fee. Legitimate loan servicers do not charge fees for federal student loan assistance.

2. **Phishing:** Scammers impersonate official loan servicers or government agencies through emails, websites, or phone calls, aiming to steal your personal information, including your Social Security number and financial details.

3. **Forgiveness:** Scammers claim to offer immediate loan forgiveness, even if you don't qualify. They may request payment for this service or try to steal your personal information.

4. **Fake Loan Consolidation:** Scammers may promise to consolidate your loans into a single, low-interest loan. They may charge fees or steal your identity during the process.

Verify Loan Servicer

This is an important step to take in general, as many loan servicers changed during the pandemic.

Verify your loan servicer by visiting the official Federal Student Aid website. If you have private loans, review any correspondence you've received from your original loan servicer. You can also ask your school's financial aid office for help in finding that information or pull your credit reports at AnnualCreditReport.com.

Use Two-Factor Authentication (2FA)

Enable two-factor authentication on your student loan account and associated email addresses. This added layer of security can prevent unauthorized access to your accounts, making it harder for scammers to breach your personal information.

Identify Red Flags

Some common warning signs of student loan scams can include:

1. Unsolicited communication: Scammers often initiate contact through unsolicited emails, calls, or messages.

2. Requests for personal information: Legitimate servicers won't request sensitive information like your Social Security number or bank account details via email or over the phone.

3. Pressure tactics: Scammers may pressure you to act quickly, claiming that opportunities are time-sensitive or urgent.

4. Unrealistic promises: Does an offer (such as immediate loan forgiveness) seem too good to be true? Chances are, it feels that way because it is.

5. Poor grammar and spelling: Messages or websites that include spelling or grammar mistakes should raise alarm. Verify the URL and defer to official sources such as the Federal Student Aid website.

Monitor Your Credit Report

You can obtain a free credit report from each of the three major credit bureaus (Equifax, Experian, and TransUnion) on AnnualCreditReport.com. Review these reports-carefully for any discrepancies, unfamiliar accounts or any unauthorized activity related to your student loans.

Report Suspicious Activity

If you suspect you've encountered

a student loan scam or have fallen victim to one, report it at once. Contact the [Federal Trade Commission \(FTC\)](#) and your loan servicer directly (for federal loans, you can [submit a complaint](#) online).

Seek Guidance

If you're feeling overwhelmed by student loan repayment, take comfort in knowing you don't have to navigate this process alone. Connect with your financial institution to see what additional security resources they can provide and consider [free student loan counseling](#) with GreenPath Financial Wellness.

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