

Scam Alert!!



As we cope with the coronavirus public health pandemic, there are those who would seize the opportunity to prey on the fears and vulnerability of others. We want to warn each of you to be on the alert for companies offering deceptive relief services and products. These services are often promoted through web and social media ads or appear in search engine results.

The scam involves private companies that promise student loan debt relief services for a fee. In actuality, these services are available for free from loan servicers or providers. Free services include:

- Loan consolidation
- Payment modification
- Income based repayment plans
- Public Service Loan Forgiveness
- Total and Permanent Disability Discharge among other forms of discharge

While not all companies offering such services are ill-intentioned, according to an action filed by the Consumer Financial Protection Bureau in 2019, one scam operation alone defrauded thousands of federal-student-loan debtors of more than \$71 million.

To avoid becoming a victim of deceitful student loan debt relief scams, remember:

- Never pay upfront or pay monthly fees to get help.
- Beware of any company promising immediate loan forgiveness.
- Do not share personal or sensitive information.
- Check with your loan provider to see if the same services are available for free.

When in doubt, contact the DCLoanHelp@dc.gov. If you have federal student loans, visit StudentAid.gov/repay; if you have a private loan, talk to your loan servicer.

Other Online Resources:

- Federal Trade Commission Information on Student Loans
- Income-Driven Repayment (IDR) Plan Request
- National Foundation for Credit Counseling
- Nerdwallet Student Loan Relief Guide During Coronavirus (COVID-19)
- Student Loan Repayment Calculator
- Identify Your Student Loan Servicer

If you, or someone you know, has been a victim of deceitful student loan debt relief practices, file your complaint with your local business. To locate your state's fraud, scams and abuse agency, visit the Federal Trade Commission website at <http://www.consumerfraudreporting.org/governments.php#StateAgencies>

Federal Trade Commission - The Federal Trade Commission provides information to help consumers spot and avoid fraudulent practices in the marketplace, and can be contacted at the following:

FEDERAL TRADE COMMISSION
600 PENNSYLVANIA AVENUE NW
WASHINGTON DC 20580-0001
Phone: 1-877-FTC-HELP

TO LEARN ABOUT RECENT SCAMS and how to recognize the warning signs. Read the FTC's most recent alerts or browse scams by topic: <https://www.consumer.ftc.gov/features/scam-alerts/>