

PREPARING BORROWERS TO RESTART STUDENT LOAN PAYMENTS

AGENDA

- 01** Borrower Checklist
- 02** Understanding Repayment Plans
- 03** Public Service Loan Forgiveness (PSLF)
- 04** Avoiding Student Loan Scams
- 05** Resources and Tools
- 06** Q&A

BORROWER CHECKLIST

Ashley Harrington
U.S. Department of Education

PREPARE FOR STUDENT LOAN PAYMENTS TO RESTART

Final extension date for January 31, 2022

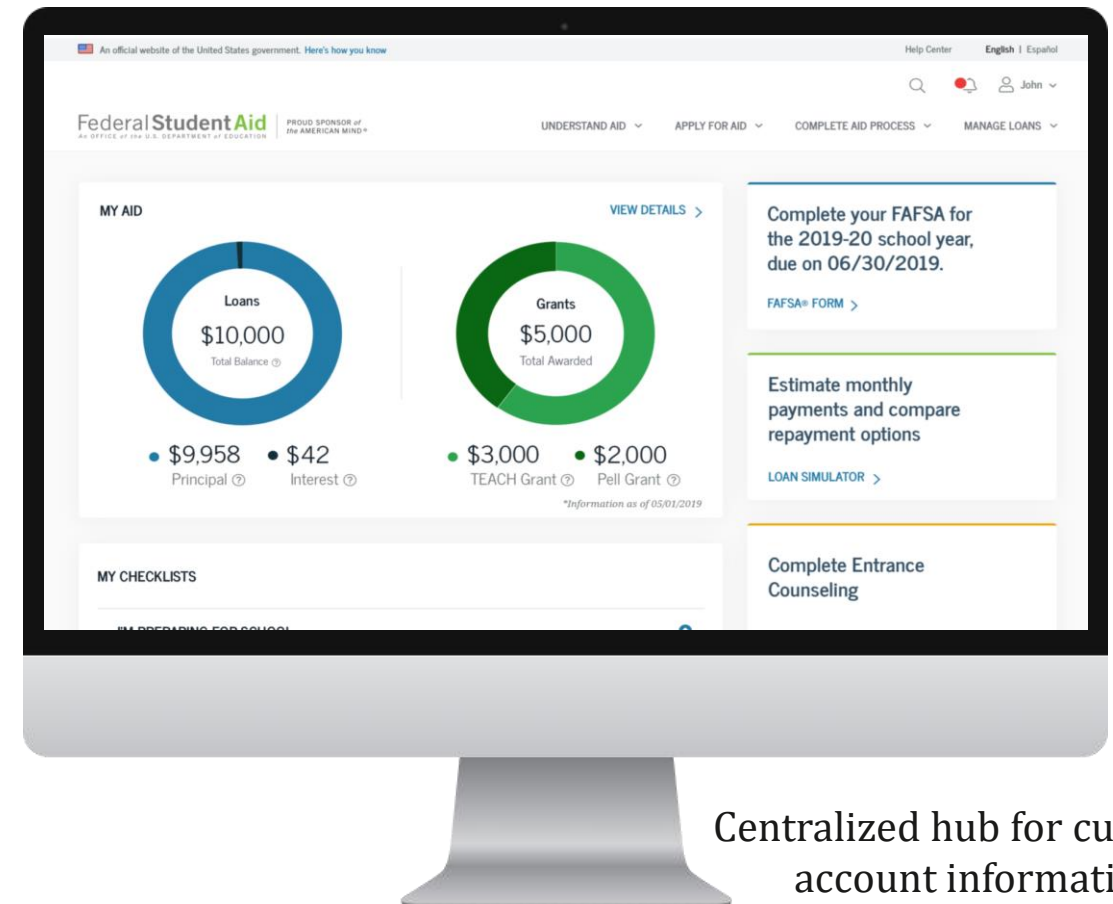
Steps for borrowers:

- Update their contact info with their loan servicer and at [StudentAid.gov](https://studentaid.gov).
- Review their auto-debit enrollment or sign up for auto-debit for the first time.
- Make sure they are on the best repayment plan.
- Consider applying for an income-driven repayment (IDR) plan.
- Review the requirements for loan forgiveness programs, including the recent changes to Public Service Loan Forgiveness (PSLF).
- Final extension date for January 31, 2022

PERSONALIZED DASHBOARD

ON STUDENTAID.GOV BORROWERS CAN:

- Update contact information
- Identify their servicer
- Identify their due date and IDR Anniversary date
- Sign up for IDR (Income Driven Repayment)
- Get detailed information about their loans and repayment history



Centralized hub for customer
account information

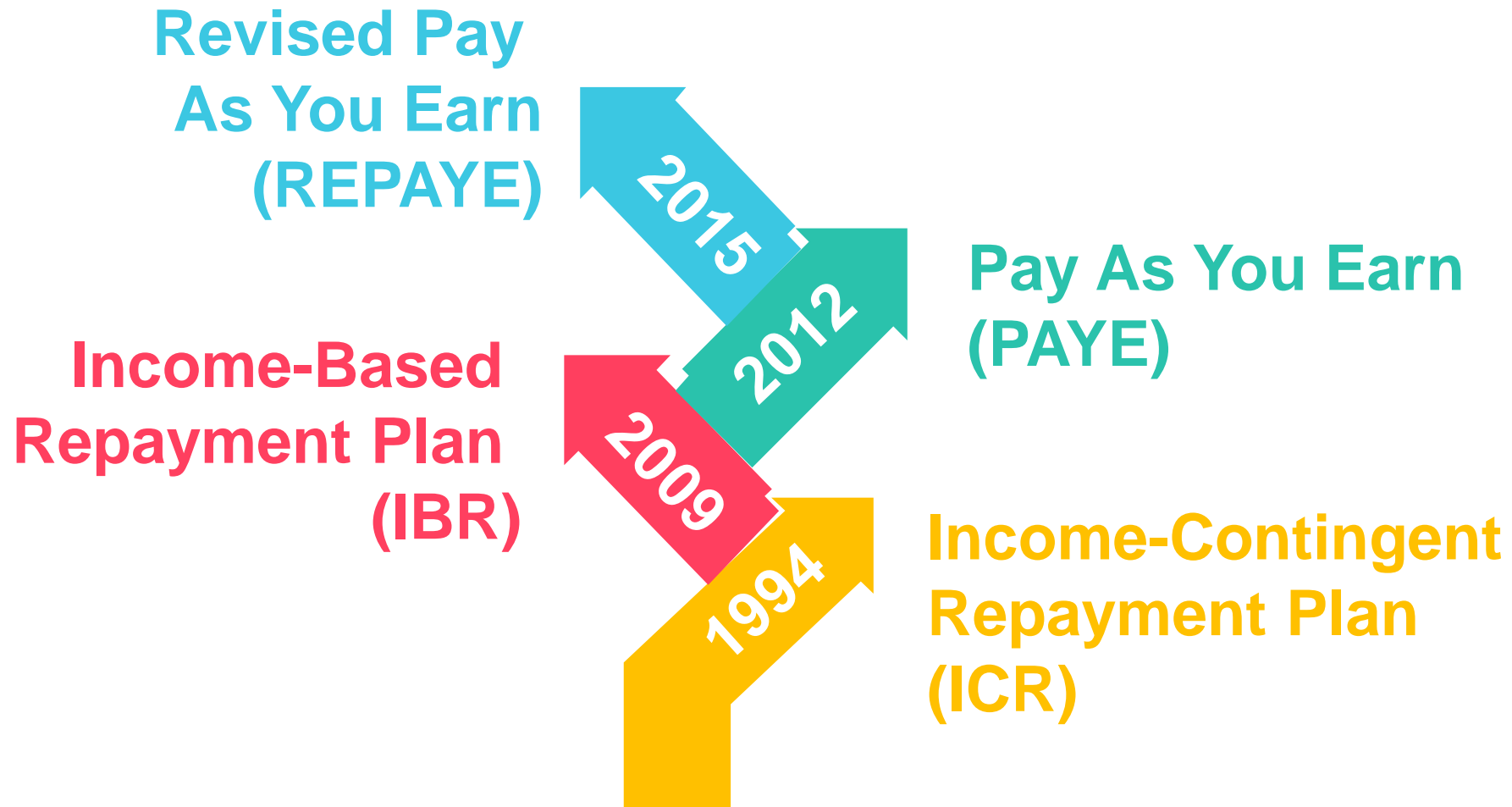
UNDERSTANDING REPAYMENT PLANS

Bruce Honer
U.S. Department of Education

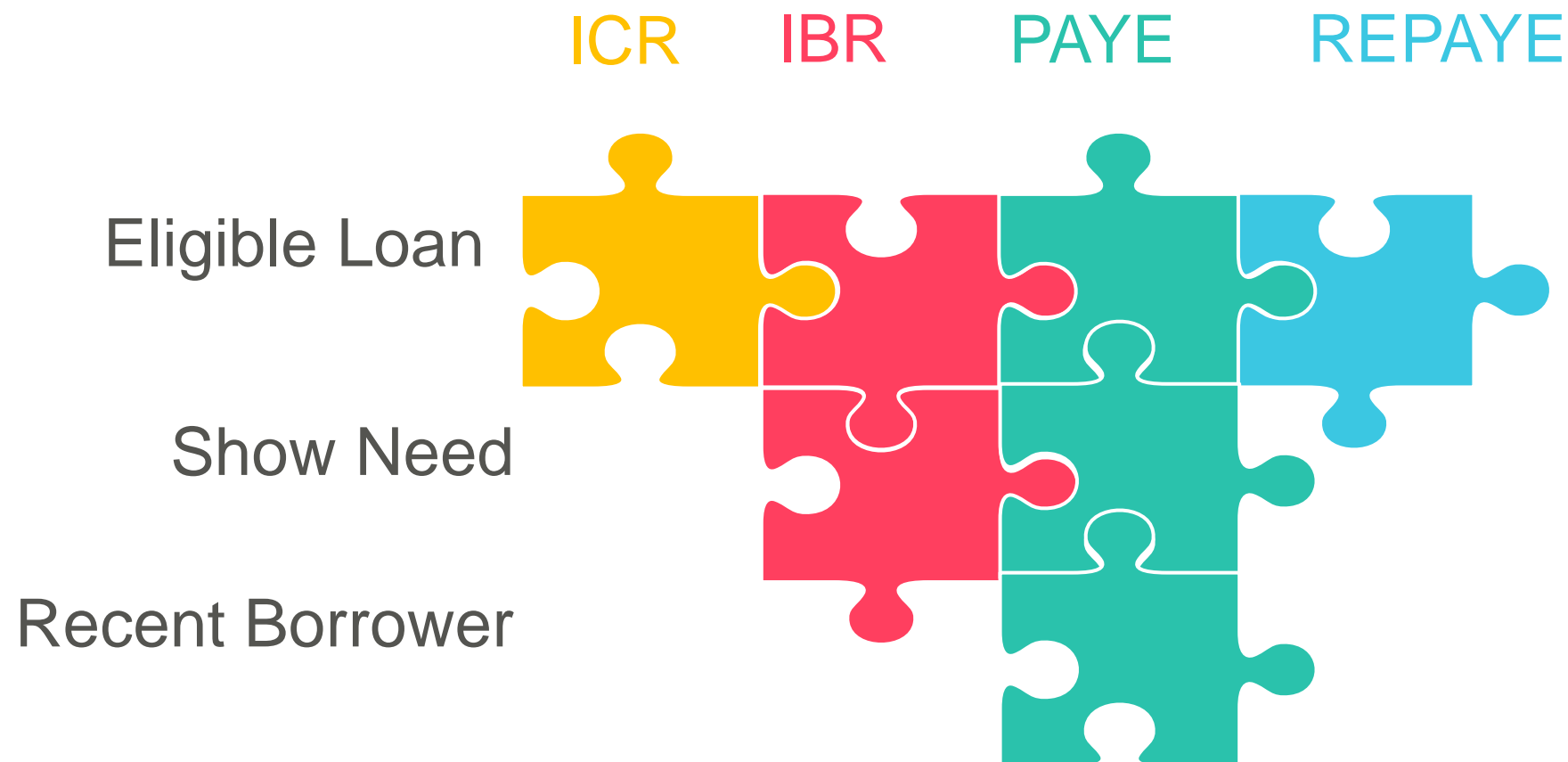
REPAYMENT PLANS BASED ON AMOUNT BORROWED

Repayment Plan	How Payment Amount is Determined
Standard	Payments are fixed amounts that ensures loans are paid off within 10 years
Graduated	Payments start lower and generally increase every two years to ensure the loans are paid off within 10 years
Extended	Payments can be either fixed or graduated to ensure loans are paid off within 25 years – must have a debt minimum of \$30,000

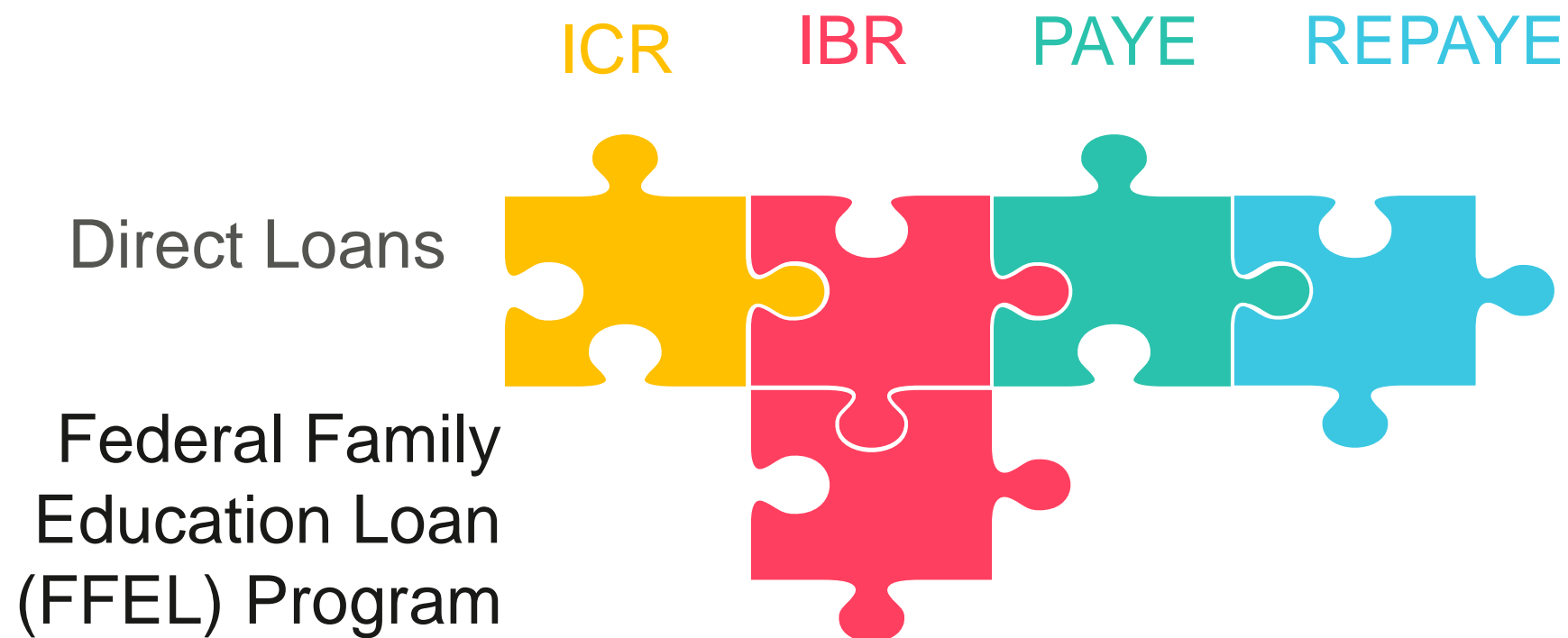
INCOME DRIVEN REPAYMENT (IDR) PLANS



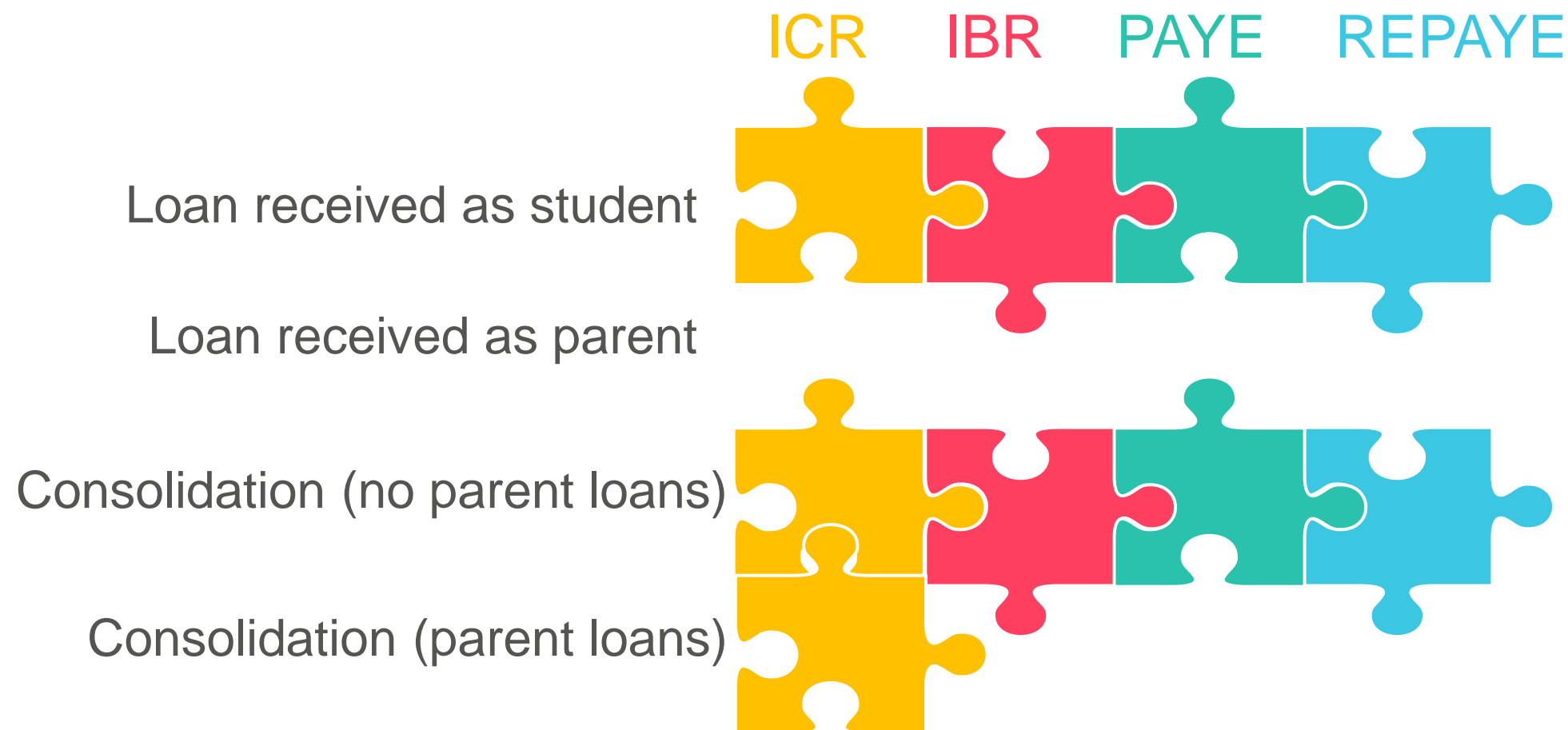
ELIGIBLE BORROWERS



ELIGIBLE LOAN PROGRAMS



ELIGIBLE LOAN TYPES



DISCRETIONARY INCOME

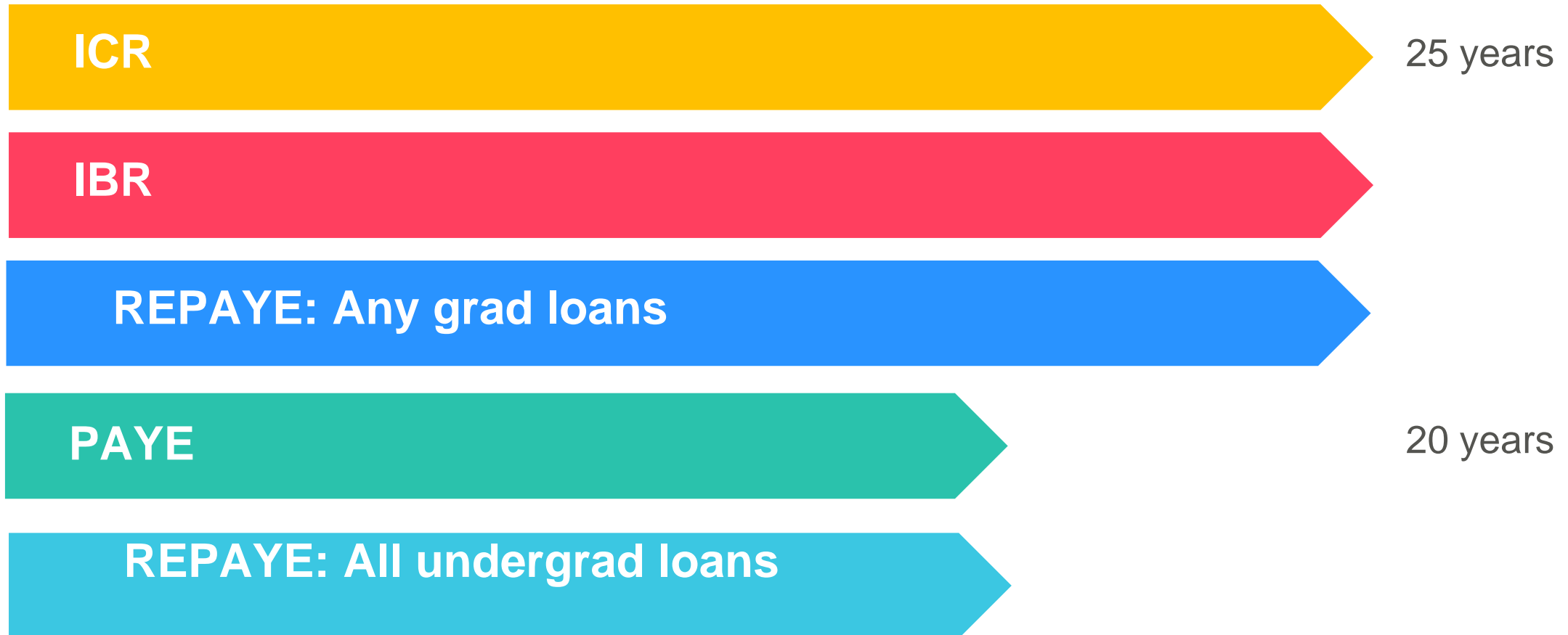
Repayment Plan	Discretionary Income
ICR	The difference between your annual income and 100 percent of the poverty guideline for your family size and state of residence.
IBR PAYE REPAYE	The difference between your annual income and 150 percent of the poverty guideline for your family size and state of residence.

PAYMENT AMOUNTS

Most IDR plans have two formulas –
for those that do, borrowers always pay the lesser of the two.

Repayment Plan	Payment Based Only on Income	Payment Based on Loan Debt
ICR	20% of discretionary income	12-year standard payment adjusted based on income
IBR	15% of discretionary income	10-year standard amount
PAYE	10% of discretionary income	10-year standard amount
REPAYE	10% of discretionary income	None

LOAN FORGIVENESS



IDR APPLICATION PROCESS

Income-Driven Repayment Plans
+

studentaid.gov/manage-loans/repayment/plans/income-driven

Apps
Department of Education Links
SharePoint TISD Docs
connectED Home - ...
Adobe Admin Traini...
Adobe Connect Ce...
E2 Solutions - CW...
Reading list

An official website of the United States government.
Help Center
Submit a Complaint
English | Español

FederalStudentAid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

UNDERSTAND AID
APPLY FOR AID
COMPLETE AID PROCESS
MANAGE LOANS
Log In | Create Account

About Loan Repayment
Who's My Servicer?
Repayment Plans

Complete Exit Counseling
Complete TEACH Grant Conversion Counseling
Make a Payment
Loan Simulator
Consolidate My Loans

Lower My Payments
Apply for an Income-Driven Repayment Plan
Recertify an Income-Driven Repayment Plan
Cosign Your Spouse's Income-Driven Repayment Plan Application
Get Temporary Relief

Qualify for Loan Forgiveness
Public Service Loan Forgiveness
Teacher Loan Forgiveness
Closed School Discharge
Perkins Loan Cancellation and Discharge
Total and Permanent Disability Discharge
Discharge Due to Death
Discharge in Bankruptcy
Borrower Defense to Repayment
False Certification Discharge
Unpaid Refund Discharge

Delinquency and Default
Avoiding Default
Collections
Getting Out of Default

IDR CERTIFICATION OF INCOME

Due to the COVID-19 emergency, borrowers with only federally held student loans can self-report their income through July 31, 2022.

- Applies to first-time IDR applicants as well as annual recertification
- When completing Step 2 of the IDR application, select “I’ll report my own application”

LOAN SIMULATOR

*Shaneek Celedon
U.S. Department of Education*

WHAT IS *LOAN SIMULATOR*?

- Launched on February 23, 2020, is a unique product in the market that offers users custom recommendations, based on their financial situation and financial goals.
- Recommended repayment strategy and the opportunity for users to compare other repayment goals if they interested.
- *Loan Simulator* is divided into 3 intents which are the **repayment strategy**, **trouble making payments**, and **borrowing more**. The intents provide user-friendly guides to the scenarios (like Turbo Tax)

See Your Federal Student Loan Repayment Options with *Loan Simulator*

Loan Simulator helps you calculate student loan payments and choose a loan repayment option that best meets your needs and goals. You can also use it to decide whether to consolidate your student loans.

Let's get started.

We will guide you through a series of questions based on your selection below.



I Want to Find the Best Student Loan Repayment Strategy

We will recommend a repayment plan based on your needs and goals and help you explore options like making extra payments, choosing income-driven repayment, or consolidating your loans.

[Log In and Start](#)

[Or Start From Scratch](#)

- See how you can lower your student loan payment.
- See how you can pay off your



I'm Struggling With My Student Loan Payments

Decide whether you want to temporarily stop payments or lower your monthly payment instead.

[Log In and Start](#)

[Or Start From Scratch](#)

- Consider a new repayment plan instead of suspending payments.



I Want to Simulate Borrowing More

Find out what happens when you borrow more money to pay for education expenses, returning to school, or finishing your studies later than expected.

[Log In and Start](#)

[Or Start From Scratch](#)

- Explore impacts when you borrow more student loans.
- Find out about federal

HOW DOES IT WORK?

- Log in as an authenticated user
- User can start *Loan Simulator* from scratch/guided questions/demo.
- User can skip the guided questions and complete the simulation, **but the recommendations would not be personalized and tailored** as if they went through the guided questions.
- [https://sa-
uat901.test.studentaid.gov/loan-
simulator/](https://sa-uat901.test.studentaid.gov/loan-simulator/)

Log In

FSA ID Username, Email, or Mobile Phone

?

[Forgot My Username](#)

Password

Show Password?

[Forgot My Password](#)

[Log In](#)

or

[Create an Account](#)

PUBLIC SERVICE LOAN FORGIVENESS (PSLF) PROGRAM

Travis Sturlaugson
U.S. Department of Education

PSLF BASICS

120 qualifying payments...

While working for a qualifying employer



*Forgiven
amount is
not taxable
income*

...on Direct Loans...

...when applying for and receiving PSLF

PSLF BASICS: ELIGIBLE LOAN TYPES



- Direct Loans, including:
 - Consolidation Loans
 - Parent PLUS Loans (once consolidated)



- FFEL Program Loans
- Perkins Loans
- Any other federal or private student loan

PSLF BASICS: ELIGIBLE PAYMENTS



- On-time
- In a Standard Plan or any IDR plan
- For at least the amount due
- Can be non-consecutive



- More than 15 days late
- In a Graduated, Extended, or Alternative plan
- For less than the amount due
- Made when not required (e.g. in-school deferment)

CHANGES TO PAYMENT COUNTS

- Multiple payments in less than the amount due may be counted *only if all smaller payments:*
 - Add up to the amount due and
 - Are paid within 15 days of the due date
- Lump sum payments will be counted as eligible
 - Limited to 12 months or payments or until IDR plan recertification date, whichever comes first
 - Exceptions for Americorps, Peace Corps, and DoD still apply



PSLF BASICS: ELIGIBLE EMPLOYMENT



- Full-time (30 hours/week) or equivalent
- Government (including military)
- All 501(c)3 non-profits
- Some limited exceptions



- Part-time work that does not add up to full-time
- Volunteer work
- For-profit entities
- Including those that employ essential workers
- Labor unions

PSLF BASICS: ELIGIBLE EMPLOYMENT

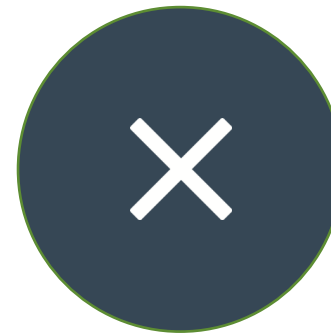
- It's all about the employer...
 - All federal, state, and local governments, including public schools and military branches
 - All 501(c)3 non-profit organizations
 - Other non-profit organizations that provide a qualifying service (e.g. public safety)
- Multiple part-time jobs can add up to full-time employment
- 2020 regulatory change means time spent on religious activities (e.g. proselytizing) now count toward the full-time allocation
- Must be employed at an eligible employer when forgiveness is granted

TEMPORARY EXPANDED PSLF

Provides loan forgiveness to those who do not qualify for PSLF only because some or all their qualifying payments were made on non-qualifying plans



- Extended and Graduated, if:
In the 12 months before applying for TEPLSF, the borrower paid at least the amount they would have paid under an IDR plan



- Alternative

COVID-19 EMERGENCY RELIEF

StudentAid.gov/Coronavirus

Loans in forbearance due to the payment pause are eligible for PSLF and TEPSLF

Loans in any other status (except for “In Repayment”) continue to be ineligible for PSLF and TEPSLF

Borrowers do not have to be in an eligible repayment plan if they are in forbearance due to the payment pause



LIMITED PSLF WAIVER: THROUGH OCT. 31, 2022



Payments made prior to consolidation are now eligible

- No matter the loan program (DL, FFEL, Perkins)
- No matter the repayment plan
- No matter the loan type (with the exception of Parent PLUS)



Employment requirements still apply

Must have been employed

- full-time and
- for a qualifying employer when prior payments were made



Borrowers must act now

Borrowers who still have FFEL and Perkins Loans can only get credit for past payments if they consolidate into DL and file PSLF Forms for prior employment before Oct. 31, 2022

PSLF LIMITED WAIVER: BORROWER GROUPS

StudentAid.gov/PSLFWaiver



IF YOU ONLY BORROWED DIRECT LOANS...

File a PSLF Form for each eligible employer you had since you borrowed the loan (or since Oct. 1, 2007, whichever is later)



IF YOU PREVIOUSLY CONSOLIDATED INTO DIRECT LOAN(S)

File a PSLF Form for each eligible employer you had since you borrowed any loans underlying the Direct Consolidation Loan (or since Oct. 1, 2007, whichever is later)



IF YOU STILL HAVE FFEL OR PERKINS LOANS...

Consolidate your loans into the Direct Loan Program and file a PSLF Form for each eligible employer since you borrowed the loans you are consolidating (or since Oct. 1, 2007, whichever is later)

COUNTING ELIGIBLE PAYMENTS

For a payment to count, a borrower must...

	Make 120 payments	Have qualifying employment	Consolidate into the Direct Loan Program	File a PSLF Form to update their payment count	Be in a qualifying repayment plan	Have been in an "In Repayment" status	Be currently employed at a qualifying employer in order to receive forgiveness
PSLF	✓	✓	✓	✓	✓	✓	✓
TEPSLF	✓	✓	✓	✓	✓	✓	✓
COVID-19 Forbearance	✓	✓	✓	✓			✓
Limited PSLF Waiver	✓	✓	✓	✓		✓	

WHAT TO EXPECT WHEN YOU'RE EXPECTING

(a servicing transfer or loan forgiveness)

FEDLOAN SERVICING TRANSITION

- FedLoan Servicing announced that they would be leaving the DL Program as a servicer in July 2021.
- Transfers will pause as we approach return to repayment, then will recommence
- We anticipate all accounts will be transferred by the end of 2022

PSLF EMPLOYMENT CERTIFICATION AND FORGIVENESS

- We strongly encourage borrowers to complete a PSLF Form using the PSLF Help Tool
- If a borrower manually enters an employer using the PSLF Help Tool they will experience delays in receiving their form
- Borrowers will continue to receive targeted emails about the PSLF Limited Waiver
- Forgiveness will be automatically processed when possible
 - As of mid-November, 25K borrowers have received \$1.7B in forgiveness

PSLF HELP TOOL OVERVIEW

Austin Hall
U.S. Department of Education

PSLF HELP TOOL LANDING PAGE

🇺🇸 An official website of the United States government.

Help Center

Submit a Complaint

English | Español

FederalStudentAid
An Office of the U.S. Department of Education

UNDERSTAND AID ▾

APPLY FOR AID ▾

COMPLETE AID PROCESS ▾

MANAGE LOANS ▾



BILL ▾



Complete the Public Service Loan Forgiveness (PSLF) Form With the PSLF Help Tool

The PSLF Help Tool helps determine whether you work for a qualifying employer for the PSLF or Temporary Expanded Public Service Loan Forgiveness (TEPSLF) programs, suggests actions you can take to become eligible for PSLF, and guides you through the PSLF form and submission process.



Important Limited PSLF Waiver Opportunity

On Oct. 6, 2021, the U.S. Department of Education (ED) announced a temporary period during which borrowers may receive credit for payments that previously did not qualify for PSLF or TEPSLF.

[Learn More About this limited PSLF waiver.](#)

Using the PSLF Help Tool



Use the PSLF Help Tool to search for a qualifying employer, learn what actions you may need to take to become eligible for PSLF or TEPSLF, and generate the form you need. Each time you submit a form, we will evaluate your eligibility for forgiveness, and provide that forgiveness to you if you are eligible. After you submit your form, if you have Direct Loans and work for a qualifying employer, you will receive a count of the number of qualifying payments you have made toward both PSLF and TEPSLF from FedLoan Servicing. For the best experience using this tool, we strongly recommend that you read [Become a Public Service Loan Forgiveness \(PSLF\) Help Tool Ninja](#) before getting started.

The PSLF Help Tool has been modified to align with the conditions under COVID-19 relief measures and the limited PSLF waiver through Oct. 31, 2022. To get the most accurate information, make sure to carefully read any section titled "Special Notice for the COVID-19 Emergency" and [check out the limited PSLF waiver announcement](#).

Learn more about [PSLF](#) and [TEPSLF](#).

Start



SECTION 1: EMPLOYMENT HISTORY

Using the Employer Search Feature

Public Service Loan Forgiveness (PSLF) Help Tool

1

2

3

4

5

Employment History
Loan Tips
Application Details
Personal Information
Review & Save

My Employers

Add your past and current employers below to determine whether they qualify for PSLF and TEPSLF during the time of your employment.

Note: 1) Only add your employment history since your last approved employment certification (if applicable). If you've certified an employment period in the past, then you do not need to do so again.

2) If at least one day of your employment falls within a period during which we determined your employer to be eligible, you will be able to complete the PSLF Help Tool even if the employer was not an eligible employer for the entire period you entered. However, the PSLF Servicer will conduct a comprehensive review of the specific dates of your employment for eligibility with the submission of a PSLF form. Please note that periods of employment prior to October 2, 2007, cannot qualify for PSLF even if they were with a qualifying employer.

You have not added any employers.

+ Add Employer

Previous

Next Section

Public Service Loan Forgiveness (PSLF) Help Tool

1

2

3

4

5

Employment History
Loan Tips
Application Details
Personal Information
Review & Save

Search for Employer

Employer Identification Number (EIN)

[How do I find my EIN?](#)

☐ This is my current employer

Employment Start Date To

Employment End Date

SECTION 2: LOAN TIPS

My Loan Actions

The Department of Education announced a limited-time change to PSLF program rules as a result of the COVID-19 national emergency.

Loan Eligibility Changes:

Now, for a limited period that goes through October 31, 2022, borrowers may receive credit for past payments made on loans that would otherwise not qualify for PSLF. As a result, we have modified the PSLF Help Tool experience for you to complete the form. Please continue to the next section, Application Details.

Public Service Loan Forgiveness (PSLF) Help Tool



New Loan Eligibility Rules



Loan Eligibility Changes Through October 31, 2022

On Oct. 6, 2021, the U.S. Department of Education (ED) announced a limited PSLF waiver period as a result of the COVID-19 national emergency. From Oct. 6, 2021, through Oct. 31, 2022, borrowers may receive credit for past payments made on loans that would otherwise not qualify for PSLF.

[Learn More About the New Rule](#)

What this Means for You



Loan Consolidation

If you have Federal Family Education Loan (FFEL) Program loans, Federal Perkins Loan, or other types of federal student loans, [you must consolidate those loans](#) into the Direct Loan program by Oct. 31, 2022.



Employment Certification

You must have been employed full-time at a qualifying employer when prior payments were made. You can receive credit only for payments made after October 1, 2007, since that is when the PSLF program began. At the end of this flow, you must print, sign, and submit your PSLF form to the PSLF servicer for any period where you may receive additional qualifying payments. This employment certification must be submitted by Oct. 31, 2022.



COVID-19 Emergency Relief

As part of the COVID-19 emergency relief, federal student loan payments were paused. Payments will restart after Jan. 31, 2022. [Find info about this payment pause and other COVID-19 emergency relief](#) for student loans. In order to qualify for PSLF during the COVID-19 payment pause, you do not need to remove your loans from deferment or forbearance. As long as you are employed full-time for a qualifying employer, you will receive credit toward PSLF.

[Previous](#)

[Next Section](#)

SECTION 3: APPLICATION DETAILS

In Section 3, the borrower is asked to provide additional details about the number of qualifying payments that he or she believes have been made.

If the information on file indicates that the borrower has not made 120 payments, the radio button will default to **No**.

Public Service Loan Forgiveness (PSLF) Help Tool

Employment History Loan Tips **Application Details** Personal Information Review & Save

Have you made 120 qualifying payments? ⓘ

If you don't know, take your best guess! We will always review to see if you are eligible for forgiveness, so your answer won't negatively impact you in any way.

Why do we ask this question?

☐ **Yes, I have made 120 qualifying payments and qualify for forgiveness right now.**

Choose this option if you think you have made at least 120 qualifying payments on at least one of your loans while working for a qualifying employer.

☒ **No, I haven't made 120 qualifying payments.**

Choose this option if you just want to find out how many qualifying payments you have made to date, or if your employer is a qualifying employer and you don't think you qualify for forgiveness right now.

[Previous](#) [Next Section](#)

Have you made 120 qualifying payments? ⓘ

If you don't know, take your best guess! We will always review to see if you are eligible for forgiveness, so your answer won't negatively impact you in any way.

Why do we ask this question?

☒ **Yes, I have made 120 qualifying payments and qualify for forgiveness right now.**

Choose this option if you think you have made at least 120 qualifying payments on at least one of your loans while working for a qualifying employer.

Are You Sure?

Based on your loan information, you have not been in repayment for at least 10 years and do not yet qualify for PSLF. Select "No" in response to this question to continue.

☐ **No, I haven't made 120 qualifying payments.**

Choose this option if you just want to find out how many qualifying payments you have made to date, or if your employer is a qualifying employer and you don't think you qualify for forgiveness right now.

If a borrower indicates that he or she has made 120 payments, but the information on file contradicts this, the borrower will not be able to continue until he or she selects **No**.

SECTION 4: PERSONAL INFORMATION

The borrower will be able to enter and edit mailing information and contact information.

Note: If a borrower wants to update his or her contact information, and selects the **visit your Account Settings** link, he or she will be taken to account settings to update the information.

Public Service Loan Forgiveness (PSLF) Help Tool

Employment History Loan Tips Application Details **Personal Information** Review & Save

Your Permanent Address

Address Line 1
123 Cherry Ln

Address Line 2 - optional

City
Nowhere

State
IDAHO

ZIP Code
34243

Country
UNITED STATES

Your Contact Information

Email
bjones@testcod.edu

Mobile Phone
(202) 377-2220

Alternate Phone

To update your contact information, [visit your Account Settings.](#)

Previous **Continue**

SECTION 5: REVIEW & SAVE

In Section 5, the borrower will be able to review and make any final edits to his or her information.

Selecting **Save** will complete the Help Tool flow and save the borrower's information.

Public Service Loan Forgiveness (PSLF) Help Tool

Progress: 1. Employment History 2. Loan Tips 3. Application Details 4. Personal Information 5. Review & Save

Employment History [Edit](#)

Department of Motor Vehicles 10-3454455

Application Type [Edit](#)

120 Qualifying Payments
Yes

Forbearance
No, I don't want a forbearance

Personal Information [Edit](#)

Permanent Address
Updated Line 1 #222
Mt Orange, CA 20222
US

Email Address
p.a.rosado.flores@accenturefederal.com

Mobile Phone Number
(555) 282-2828

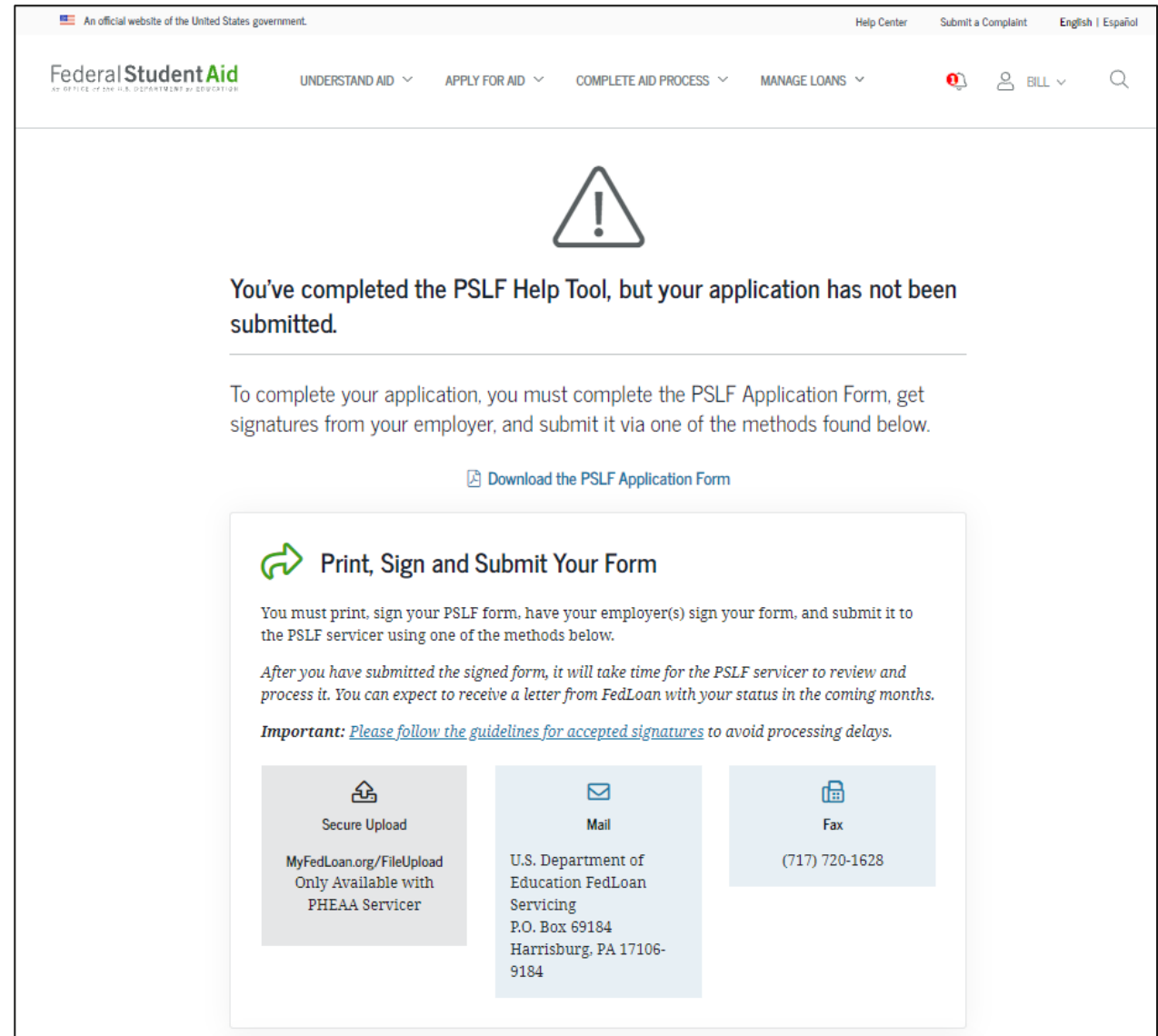
[Previous](#) [Save](#)

CONFIRMATION

After selecting Save, the borrower will be taken to a Confirmation page with a warning banner that states “You’ve completed the PSLF Help Tool, but your application has not been submitted.”

For the application to be complete, the borrower must complete the application form and submit it using one of the methods provided:

- Secure upload to MyFedLoan.org
- By Postal Mail
- Or by Fax



The screenshot shows the Federal Student Aid website interface. At the top, there's a navigation bar with links like "Help Center", "Submit a Complaint", and "English | Español". Below this, a warning banner with a triangle icon states: "You've completed the PSLF Help Tool, but your application has not been submitted." Below the banner, a message explains that to complete the application, the user must complete the PSLF Application Form, get signatures from their employer, and submit it via one of the methods found below. A link "Download the PSLF Application Form" is provided. A section titled "Print, Sign and Submit Your Form" with a green arrow icon contains instructions: "You must print, sign your PSLF form, have your employer(s) sign your form, and submit it to the PSLF servicer using one of the methods below." It also includes a note: "After you have submitted the signed form, it will take time for the PSLF servicer to review and process it. You can expect to receive a letter from FedLoan with your status in the coming months." An "Important" note follows: "Please follow the guidelines for accepted signatures to avoid processing delays." Below this, three submission methods are listed in boxes: "Secure Upload" (MyFedLoan.org/FileUpload, Only Available with PHEAA Servicer), "Mail" (U.S. Department of Education FedLoan Servicing, P.O. Box 69184, Harrisburg, PA 17106-9184), and "Fax" ((717) 720-1628).

STUDENT LOAN SCAMS

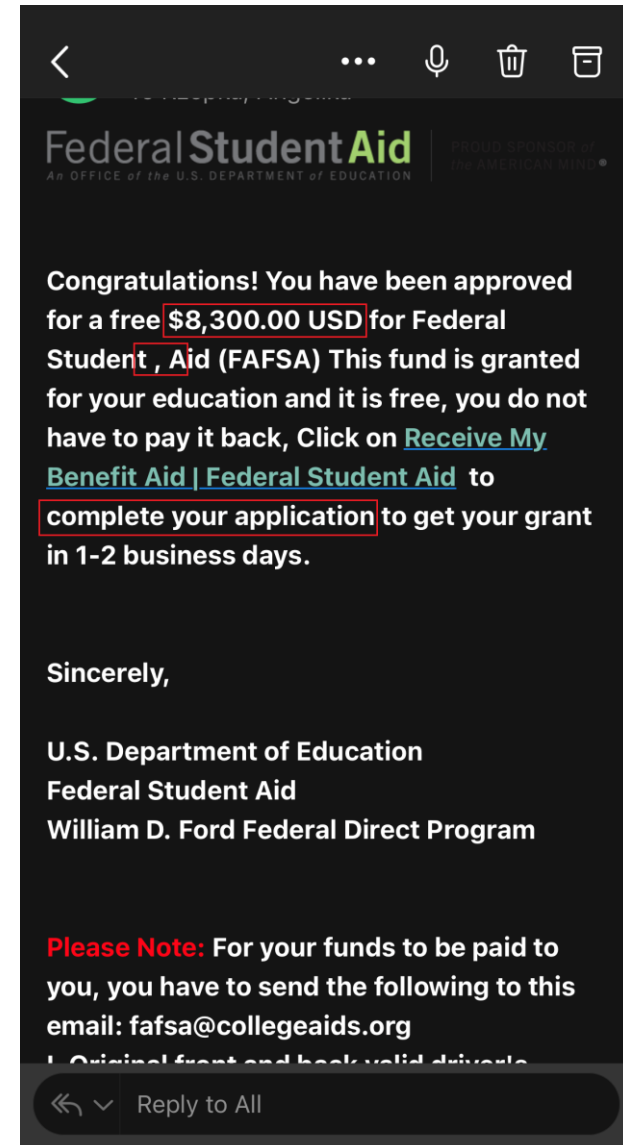
*Kalynn Wollard and Anmaar Habib
FSA Ombudsman Group*

TYPES OF STUDENT LOAN SCAMS

- **Grant Scams:** promises a grant or scholarship
- **Credit Reporting Scams:** promises credit repair services for borrowers
- **Student Loan Relief Scams:** promises student loan relief through consolidation, forgiveness, deferment, or a reduction in loans
 - Typically, these are scams conducted by **Third Party Debt Relief Companies (TPDR's)**

IDENTIFYING GRANT SCAMS

The customer called about what appeared to be a FAFSA email sent to her student account. The email stated that she was approved for a grant. The email requested her information so that they could send her a grant and followed up with a text message asking for her to verify her personal information.



IDENTIFYING CREDIT REPORTING SCAMS

FTC Returns More than \$3.1 Million to Victims of Student Loan Debt Relief and Credit Repair Scheme

March 26, 2020

The customer received multiple phone calls from a phone number and was instructed to call a different phone number via voicemail. When he called back, he was directed to a credit repair company. The credit repair company claimed to be affiliated with FSA and Facebook Ads. The customer neither has student loans nor bad credit.

[Advertising and Marketing](#) | [Online Advertising and Marketing](#) | [Credit and Finance](#) | [Credit and Loans](#) | [Debt](#) | [Debt Relief](#) | [Education](#)

The Federal Trade Commission is mailing checks totaling more than \$3.1 million to consumers who were victims of a student loan debt relief and credit repair scheme.

Strategic Student Solutions (also doing business under other names) and its owner, Dave Green, [settled FTC allegations](#) that they [charged consumers illegal upfront fees and falsely promised to reduce their student loan debt or monthly payments by enrolling them in student loan forgiveness or other programs](#). The FTC also alleged that the defendants [falsely promised to apply monthly payments to consumers' student loans and to improve their credit scores and histories](#).

STUDENT LOAN RELIEF SCAMS

- There are many scams where a company will present themselves as the Department of Education (ED), Federal Student Aid (FSA), or as an external company affiliated with ED providing assistance with student loan repayment
 - Companies often present themselves as document preparation service companies, which allows them to operate legally
 - Companies claim to help enlist with enrollment in ED's repayment programs (examples: PSLF, IDR, Consolidations, Borrower Defense applications)
 - Companies may initiate loan consolidation on behalf of a borrower without the borrower's knowledge. This may create barriers for borrowers interested in using ED's repayment programs such as PSLF
 - Please Note: Any legitimate document preparation services the companies may offer can be done for free with assistance from [your federal loan servicer](#)

IDENTIFYING STUDENT LOAN RELIEF SCAMS

- **Upfront Fees:**

- Many scam companies require upfront fees for their services. These fees typically do not go towards repayment of any federal student aid
- ED and Federal Student Loan Servicers do not require any kind of upfront payment for help with loan repayment. Contacting and obtaining help from ED/a servicer is free

Customer called to say that had \$600 taken and that she was scammed by a TPDR. The company's stated purpose was that was to give student loan forgiveness at \$175/month for 6 months and then \$11/month for 240 months. She was then told to spend \$600 upfront for \$0/month for 240 months. The money was taken through direct withdrawal.

She signed forms but had no clue what forms she signed. The company had called her, The customer's motivation was to get her loans finally taken care of. She thought it was a Federal loan servicer, but she knew the services were free.

IDENTIFYING STUDENT LOAN RELIEF SCAMS

Promise of Loan Forgiveness:

- Many scam companies claim to provide immediate loan forgiveness or lower monthly payments
- Companies may request a borrower's PII or FSA ID

FTC, State Law Enforcement Partners Announce Nationwide Crackdown on Student Loan Debt Relief Scams

October 13, 2017

Scammers made false promises and charged illegal upfront fees of more than \$95 million

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FOR RELEASE

TAGS: [deceptive/misleading conduct](#) | [Bureau of Consumer Protection](#) | [Midwest Region](#) | [Northwest Region](#) | [Southeast Region](#) | [Southwest Region](#) | [Consumer Protection](#) | [Advertising and Marketing](#) | [Online Advertising and Marketing](#) | [Credit and Finance](#) | [Debt](#) | [Debt Relief](#) | [Education](#)

The Federal Trade Commission, along with 11 states and the District of Columbia, today announced "Operation Game of Loans," the first coordinated federal-state law enforcement initiative targeting deceptive student loan debt relief scams. This nationwide crackdown encompasses 36 [actions by the FTC](#) and [state attorneys general](#) against scammers alleged to have used deception and false promises of relief to take more than \$95 million in illegal upfront fees from American consumers over a number of years.

Student loan debt affects more than 42 million Americans and, with outstanding balances of more than \$1.4 trillion, student loans are the second largest segment of U.S. debt, after mortgages.



IDENTIFYING STUDENT LOAN RELIEF SCAMS

Cold Calls:

- Companies who use phrases such as “act now” request action now or limited time offers are most likely scam companies
- These communications do not come from the Department of Education or any of our partners



REPORTING STUDENT LOAN SCAMS

The most important steps to take when you encounter any kind of student loan scams are:

- 1. Reverse any actions taken against your FSA Account.**

This involves contacting FSA, submitting a case to the [FSA Feedback Center](#), and changing your FSA ID password.

- 2. Contact your [Federal Student Loan Servicer](#).**

Confirm your account, contact information and discuss the recent encounter with the scam company.

- 3. Report the egregious actors to partner enforcement agencies: [Consumer Financial Protection Bureau](#) and [Federal Trade Center](#).**

REPORTING SCAMS

If you suspect you have been contacted by a student loan scam company, please share those details with us by **submitting a Complaint to our Feedback Center.**

- Online: StudentAid.gov/feedback-center
- By Phone: 1-844-651-0077

Submit a Complaint

Your complaints are important to us. You can submit a complaint (an issue, concern, suspicious activity, or scam) or review an already-submitted case. If your complaint isn't resolved, [reach out to the Ombudsman Group](#).



Submit a Complaint ⓘ

Submit a complaint or report a suspicious activity or scam, on behalf of yourself or someone else.

[Submit Complaint](#)

Share Positive Feedback

Share positive feedback about your financial aid experience.

[Share Positive Feedback](#)

Manage My Cases

Log in to your account to view, track, or update your case(s).

[Manage Cases](#)

RESOURCES AND TOOLS

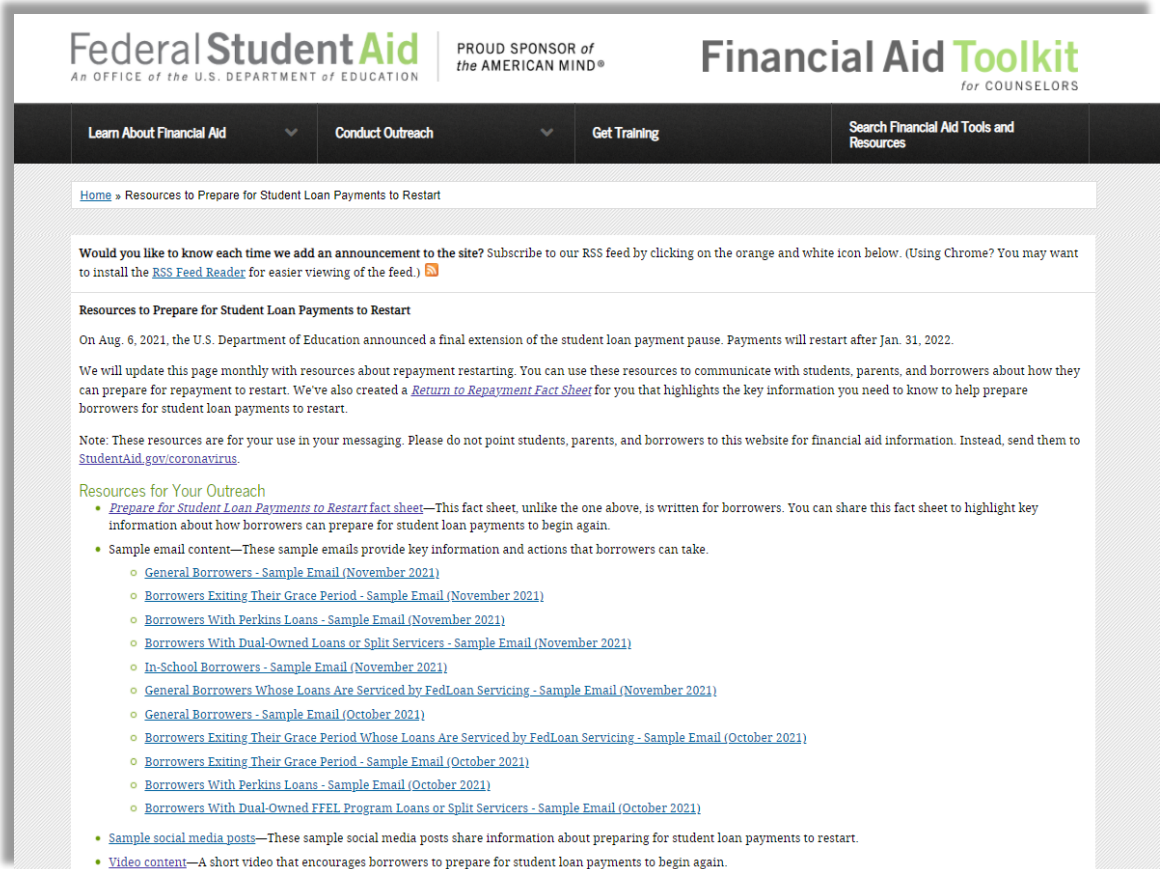
Assita Briscoe
U.S. Department of Education

RETURN TO REPAYMENT OUTREACH TOOLKIT

The toolkit is a series of resources for stakeholders to leverage to help us communicate with borrowers.

Toolkit content is on financialaidtoolkit.ed.gov:

- **Returning to Repayment Fact Sheets:** Fact sheets for stakeholders and borrowers will include key information about returning to repayment and steps stakeholders or borrowers can take to prepare
- **Approved Email Content:** Approved email content for general borrowers and later, specific borrower segments (including in school, borrowers working toward loan forgiveness, and borrowers with loans in default)
- **Social Posts:** Posts to share on social media to help borrowers understand steps they need to take to prepare for payments to restart
- **Video:** 30-second video is a roadmap that helps borrowers prepare to return to repayment



WE WELCOME YOUR FEEDBACK!

Thank you for attending this Federal Student Aid (FSA) presentation. Please take our survey so that we can receive feedback on how FSA can better serve you!



www.surveymonkey.com/r/RTR21