



MEDIA ADVISORY
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ATTORNEY GENERAL'S CONSUMER PROTECTION DIVISION ISSUES ADVISORY REGARDING STUDENT LOAN REPAYMENTS, POTENTIAL SCAMS

Nashville – On July 14, 2023, the U.S. Department of Education announced that it would automatically discharge certain qualifying student loans. The U.S. Department of Education will contact you if you are eligible for this relief. This is different from the loan forgiveness plan that was struck down by the Supreme Court of the United States on June 30, 2023.

Also, the U.S. Department of Education is offering time-limited adjustments designed to assist consumers in navigating federal student loan repayment, including a “fresh start” for certain defaulted federal loans. Information about these adjustments can be found [here](#).

For student loan borrowers, the payment and interest pause on federal student loans that was granted under the Coronavirus Aid, Relief, and Economic Security Act of 2020 has now ended. Starting September 1, 2023, interest on federal student loans will begin to accrue, and monthly payments on those loans will be due in October. To prepare for your repayments to resume (or start), you should know what kind of loans you have, how much you owe, and who services your loans. A **loan servicer** is a third party who is assigned by the lender to bill you and service repayment of your student loan. Information about your federal student loans can be obtained [here](#).

With student loan repayments beginning again, some companies may contact you offering relief that they cannot provide. Scammers employ different tricks to appear legitimate. Here is what to know to protect yourself:

- Scammers may claim to work for the Department of Education or be affiliated with your loan servicer. Know who your servicer is and find out if a company is legitimate before giving them money or personal information.
- Maintain contact with your loan servicer. Scammers frequently tell you to cut off communications with your loan servicer and instead rely on them. They may direct you to stop making payments. Do not listen to that advice. It is important to communicate with your loan servicer and continue to make payments. If you cannot afford your payments, first get information on income-driven repayment plans to determine your best options. Learn more about income-driven repayment plans [here](#).
- If you've been contacted by a debt relief company that claims it will help you to pay off your loans, you should first consider whether you qualify for help for free using the Department of Education's programs. Learn more [here](#).
- Scammers often demand an upfront fee and offer to manage your payments for your student loans. You do not have to pay anyone to service or manage your student loans. Loan servicers cannot charge you to apply for loan forgiveness, income-driven repayment (IDR), deferment, or forbearance, loan consolidation, or to file any other paperwork.

- If you are contacted by a company asking you to pay “enrollment,” “subscription,” or “maintenance” fees to enroll you in a federal repayment plan or forgiveness program, this is probably not a company offering legitimate services. You do not have to pay anyone to apply to the U.S. Department of Education for loan forgiveness, cancellation, or payment relief.
- Even if someone calls and has correct personal information about you and your loan, do not give them any additional information until you verify the caller’s identity. Instead, contact your loan servicer directly and ask if you need to take any action.
- Scammers frequently put pressure on you to decide quickly. Most government-offered programs will not apply this kind of pressure. Be wary of any company that pressures you to sign up within just a few days.
- Don’t sign a power of attorney allowing a company to interact with your student loan servicer on your behalf. Power of attorney forms can transfer important powers, including the authority to make financial decisions for you.
- If it seems too good to be true, it probably is! Be wary of these kinds of offers from companies.

Here are some helpful links to get more information or report a scam:

- <https://studentaid.gov/>
- <https://studentaid.gov/manage-loans/repayment/plans>
- <https://studentaid.gov/articles/student-loan-scams/>
- [Public Service Loan Forgiveness \(PSLF\) Help Tool | Federal Student Aid](#)
- [Apply for or Manage Your Income-Driven Repayment Plan | Federal Student Aid](#)

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