

# Dept. of Agriculture, Trade and Consumer Protection: Student loan debt relief scammers target worried borrowers

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MADISON, Wis. - The final extension of the [federal student loan payment pause](#) runs until Jan. 31, 2022. The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) and the Wisconsin Department of Financial Institutions (DFI) encourage student loan borrowers to be cautious of offers from questionable student loan debt relief companies, to be aware of fraudsters taking advantage of this transition period, and to create a repayment plan now before their student loan payments are due.

“Student loan debt relief scammers target borrowers with false offers of loan forgiveness or savings from consolidation,” said DATCP Secretary Randy Romanski. “There are many resources consumers can access without paying a fee. I encourage borrowers to utilize the resources at DFI for information about repayment services and report any fraud to our team at DATCP.”

“With student loan payments resuming in February 2022, it is more important than ever for borrowers to explore their student loan repayment options and make a plan for repayment today,” said DFI Secretary Kathy Blumenfeld. “Borrowers should take time now while payments are still paused to look into repayment options such as income-driven repayment plans, which lower monthly payments, and check their eligibility for student loan forgiveness. Not waiting until the last minute to make a plan is important and will help ensure a smooth return to repayment.”

Student loan borrowers should be wary of phone calls, emails, letters, and texts claiming relief from federal student loans or warning that student loan forgiveness programs are

immediately expiring. These aggressive solicitations are used to scam borrowers with fees for services that are often free, and can be used by fraudsters to steal their money and identity.

Signs of a fraudulent student loan debt relief company:

- **Up-front fees** - These types of fees are prohibited for loan service providers. Do not provide credit card numbers or bank account information.
- **Promises of immediate total loan forgiveness** - Most government forgiveness programs require many years of qualifying payments and/or employment in certain fields before loans can be forgiven.
- **Requests for a borrower's FSA ID username and password** - A borrower's FSA ID has the same legal status as a signature, it can be used to make changes to the borrower's account without their knowledge. Do not share a borrower's FSA ID.
- **High-pressure sales phrases** - Fraudulent student loan debt relief companies often try to instill a sense of urgency by citing "new laws" or "discontinuing programs" as a way to encourage borrowers to contact them immediately.
- **Requests for a third-party authorization form or power of attorney** - Debt relief scammers often want these authorizations to change the borrower's contact information so they won't be notified when the loan servicer stops paying the student loan bill.
- **Spelling or grammatical errors** - Communications with misspelled words or grammatical errors often indicate the communication is likely from a scammer and should be deleted.

Student loan borrowers can find free repayment resources on DFI's [LookForwardWI.gov](https://www.lookforwardwi.gov) website, including the [Wisconsin Strong Student Loan Repayment Tool](#) provided by the student loan experts at [Savi](#). This [tool](#) helps student loan borrowers navigate the complexities of federal student loan repayment plans, forgiveness programs, and lowering student loan payments. To learn more, visit [WIStrong.BySavi.com](https://www.wistrong.bysavi.com) and [register](#) to attend Savi's free workshop on December 1, 2021, from 6-7 p.m. CST.

Student loan borrowers with questions are encouraged to call the [Wisconsin Student Loan Help Hotline](#) at 1-833-589-0750 or contact [Federal Student Aid](#).

If you have been the victim of a scam, report it by [filing a complaint online](#), emailing [datcphotline@wisconsin.gov](mailto:datcphotline@wisconsin.gov), or calling DATCP's Consumer Protection Hotline at 1-800-422-7128.