



Attorney General Raoul Urges Student Loan Borrowers To Be Wary Of Scammers

July 2 2023 7:35 AM

CHICAGO – Following the U.S. Supreme Court’s decision striking down the federal government’s student loan debt forgiveness plan, Attorney General Kwame Raoul is urging student loan borrowers preparing for the return to repayment to be aware of scam calls, emails and letters from fraudsters pretending to be loan servicers or promising debt relief.



The court's decision ends the repayment pause, which means federal student loans begin accruing interest Sept. 1, and payments resume in October. Loan servicers will send consumers a notice of payment at least 21 days before their payment is due.

Many borrowers may face confusion following today's Supreme Court decision striking down the federal government's student debt relief plan to forgive \$10,000, or \$20,000 for Pell Grant recipients, of eligible student loan borrowers' federal loan student debt. Attorney General Raoul encourages borrowers who have questions about their student loan repayments, servicers or scams to call the Attorney General's Student Loan Helpline at 1-800-455-2456 (TTY: 1-800-964-3013), or email StudentLoans@ilag.gov.

Raoul also recommended borrowers confirm their current loan servicer because some servicers, such as Navient and FedLoan Servicing, left the student loan servicing industry during the payment pause, and those borrowers will have a new servicer. Additionally, borrowers should ensure their loan servicer has their most current personal information.

“Many student loan borrowers will soon make their first payment in a long time, or maybe even for the first time ever. Now more than ever borrowers should be cautious of scammers, and I encourage borrowers who have questions or concerns to contact my office,” Raoul said. “The repayment pause means that many borrowers have not reviewed their student loan information recently. Reviewing that information, including your servicer’s contact information and website log-in credentials, is a first step to protecting yourself from scammers.”

Raoul recommended consumers subscribe to the Department of Education’s [email updates](#) to receive official announcements and updates. Borrowers should also locate and review their student loan information, contact information and log-in credentials for their servicers and StudentAid.gov. Borrowers may need to enroll or re-enroll to make electronic debit payments with a service provider to lower interest rates, consider an income-driven repayment plan through the Department of Education’s [Loan Simulator](#) and monitor [Studentaid.gov](#) for new income-driven repayment options.

Attorney General Raoul encourages borrowers to use caution if they receive unsolicited phone calls, letters in the mail, emails, texts or social media messages from businesses claiming to offer student loan debt relief. Raoul cautioned that it is likely a scam if a company:

- Asks for upfront payment to lower student loan payments or monthly fees to cancel debt. Under Illinois law, upfront fees are limited and cannot exceed \$50.
- Asks you to sign a power of attorney form, a third-party authorization form, or asks you to provide your Federal Student Aid identification (FSA ID) number. Power of attorney and third-party authorization forms allow the scammer to communicate directly with your student loan servicer and make decisions on your behalf. The Department of Education or a loan servicer will not ask for an FSA ID or password.
- Pressures you into acting immediately by giving a short deadline, final notice letter or voicemail claiming you must respond in a certain number of days before the program fills up.
- Promises immediate student loan forgiveness or debt cancelation. Student loan debt relief companies cannot arrange special deals under the federal student loan programs. Any changes to federal student loan repayment plans will be made through one of the government’s official loan servicers.
- Is not part of a government agency or an official loan servicer listed on Studentaid.gov. Check with the [Illinois Department of Financial and Professional Regulation](#) to ensure the company is licensed to provide the services it claims it will provide.

Borrowers who think they have been scammed by a student loan debt relief company should contact their loan servicer and revoke any power of attorney or third-party authorization forms, demand the student loan debt relief company entirely remove their

personal information from its records, check with their servicer about recent account activity and contact their bank or credit card company to stop payments.

Student loan debt relief scam victims should immediately report the suspicious activity through the Department of Education's [Feedback Center](#), change their [FSA ID](#) password, and then report the fraud to the Illinois Attorney General's office by [filing a consumer complaint](#).