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**NEWS RELEASE**

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## **Beware of Financial Aid Scams Targeting Unsuspecting Students and Borrowers**

*PHEAA urges caution as millions are being targeted by scams & misleading solicitations*

**Harrisburg, PA (June 11, 2019)** The Pennsylvania Higher Education Assistance Agency (PHEAA) is warning students and borrowers to be wary of financial aid scams that could expose them to identity theft and significant financial loss.

In one recent example, scammers are fraudulently representing themselves as known student loan servicers through social media in order to obtain personal information by claiming that a student is “eligible” for total student loan forgiveness.

“Millions of student loan borrowers are being targeted by a variety of convincing loan forgiveness or repayment scams,” said Representative Mike Peifer, PHEAA Board Chairman. “Recent college graduates are a prime target for scammers since they are often facing repayment challenges for the first time and can be less financially experienced.”

The most effective way to avoid becoming the victim of a scam is to be alert and vigilant when asked to provide any form of personal information or when engaging in financial transactions. Recent scams include:

- Student loan forgiveness scams - Companies or individuals claim to reduce or eliminate student debt in exchange for money. Loan forgiveness programs have specific eligibility requirements. No one can guarantee forgiveness in exchange for a fee.
- Tuition scams - These involve someone claiming to work for your school's administrative office, calling to warn you that your tuition is late and you risk being dropped from class unless you pay immediately. If you are contacted about anything involving money, end the call immediately and contact your school directly in order to check the status of the alleged problem.
- Unnecessary fees for service – While not necessarily a scam, beware of anyone charging a fee in exchange for application completion, a scholarship, debt counseling, or almost anything else. In most cases, it is either a scam or you are being charged for something that you can easily access for free.

(more)

“With today’s ever-present mobile technology and social media channels - such as Facebook and Instagram - scammers have more tools to reach consumers with fraudulent pitches that might seem legitimate,” said Senator Wayne D. Fontana, PHEAA Board Vice Chairman. “Students and borrowers need to take the time to become more knowledgeable and vigilant, which are the first steps toward protecting themselves from becoming a victim.”

There are several steps you can take to protect yourself from fraud and scams. The Consumer Financial Protection Bureau (CFPB) recommends the following tips to avoid scams:

- **Don’t share your Social Security number, credit card information, or account passwords.**
- **Never pay up front for a promised prize.** It’s a scam if you are told that you must pay fees or taxes to receive a prize or other financial windfall.
- **After hearing a sales pitch, take the time to compare prices.** Ask for information in writing and read it carefully.
- **Too good to be true?** Ask yourself why someone is trying so hard to give you a “great deal.” If it sounds too good to be true, it probably is.
- **Watch out for deals that are only “good today” and pressure you to act quickly.** Walk away from high-pressure sales tactics that don’t allow you time to read a contract or get legal advice before signing. Also, don’t fall for the sales pitch that says you need to pay immediately, for example by wiring the money or sending it by courier.
- **Put your number on the National Do Not Call Registry.** Go to [www.donotcall.gov](http://www.donotcall.gov) or call 888-382-1222.

If you believe that you have been targeted or victimized by a scam, please contact the Pennsylvania Department of Banking and Securities, the CFPB, or the Federal Trade Commission (FTC).

Students and families are also encouraged to visit PHEAA on [Facebook](#), [Twitter](#) (@PHEAAaid), and [LinkedIn](#) where they can learn more about the higher education financial aid process, reminders of financial aid deadlines, and information pertaining to planning for higher education. Additionally, video tutorials explaining the student aid process and types of aid available can be found at [YouTube.com/PHEAAstudentAid](https://www.youtube.com/PHEAAstudentAid).

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#### About PHEAA

Established in 1963 by the Pennsylvania General Assembly with the mission of creating affordable access to higher education, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation’s leading student aid organizations. Today, PHEAA is a national provider of student financial aid services, serving millions of customers through its loan servicing, loan guaranty, financial aid processing, public service outreach and other student aid programs, products and services. PHEAA’s earnings are used to support its public service mission and to pay its operating costs, including the administration of the PA State Grant and other state-funded student aid programs. PHEAA has contributed more than \$1 billion from its earnings in direct supplemental funding for student aid programs to further support Pennsylvania students, families, schools and taxpayers.

PHEAA conducts its student loan servicing activities nationally as FedLoan Servicing and American Education Services (AES). For more information, visit [www.pheaa.org](http://www.pheaa.org).