

I Just Received a Mail Piece Regarding Student Loan Relief...Is It Legitimate?

By the Association for Student Loan Relief

A brief discussion on the items to look for and avoid when getting a mail piece regarding student loan relief

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By AFSLR



A note from AFSLR

We sincerely hope that you achieve the result you need to become debt free in the most effective and efficient way.

Introduction

The student loan burden currently facing our country is much larger than most people realize. As of July 1, 2015 there were approximately 37.1 million Americans with outstanding student loans with an aggregate face value of around \$1.1 trillion. Of those it is estimated that over 5 million borrowers are past due on at least one of their student loans.¹

This enormous problem has given rise to an industry seeking to help guide these struggling borrowers to a relief solution that suits their needs. Like any business, these businesses need customers who qualify for student loan relief. They advertise across many mediums including radio, television, and social media.

Direct Mail

Another common way for student loan relief companies to advertise is through the mail. Typically, direct mail advertising is used by targeting clients who are most likely to read the mail or respond to what they have received. Businesses will build a database based on all sorts of types of consumers, separated by debt amount, age, income, or any combination of other factors. There are many state and federal laws that regulate what can and cannot be sent, and to which parties can receive such advertisements. Businesses utilizing this method of advertising should be familiar and adhere to such laws and guidelines. This discussion is not geared towards the businesses however, but to the consumer and what to look out for.

What to Look Out For

Consumers should be aware that these are first and foremost advertisements designed to generate the most amount of “opens” and the most amount of phone

¹ Source: <http://www.asa.org/> and <http://www.statisticbrain.com/student-loan-debt-statistics/>

calls into the advertiser's company. But sometimes the advertisers go beyond the scope of what is reasonable and things become confusing or misleading. Often times if something seems too good to be true...it usually is. However some loan forgiveness programs that are currently in place many times do indeed yield results that would fall under the 'too good to be true' category. But certain be wary when dealing with your financial situation and do some research on the company you are dealing with.

"Official" Letters

If you receive a piece that appears to indeed come from a governmental agency (Department of Education, IRS, etc.) but when you call it's clearly a sales company, be extremely cautious. Such forms of deceptive advertisements are clear red flags. Most of the times in this type of mail piece the company is not even identified. This is usually a good indicator of a company to avoid.

Claims to have partnered with the Department of Education

Unless you are dealing DIRECTLY with your loan servicer or the DOE itself, the chances of a student loan relief being partners with a governmental entity are quite remote. It would be like your CPA representing that they have partnered with the IRS. When student loan relief firms are dealing with federal loans, they are utilizing government program put in place to help the American public deal with such loans. These programs are often confusing and hard to decipher as to which is the best for each individual. This is where the true value of a good relief firm comes in.

Pre-Qualification Notice

Everyone's student loan situation is unique and different. After all there is only one 'you'. There is simply no way for any company to know whether or not you qualify for any federal program until your situation is reviewed in detail with your assistance. While it may be true that, based on available data, a company might know a decent amount about your loan situation (typically from credit bureau data) and have a very good idea that you might qualify for a certain type of program, this type of notice of pre-qualification is usually just designed to drive response.

Estimates on Your Payment Reductions

Quite often in the fine print, a disclaimer will indicate that estimates or representations are for illustrative purposes only. Or to put it another way – this result was achieved for someone else, and it may or may not work for you or even apply to your situation. Now there is nothing to say that such a result might not be achievable, but the simple fact is this is misleading and something to be wary of. Companies can (and should!) advertise their successes and achievements, however it should be clear to the consumer that their situation is unique and requires more investigation.

Reference "New" Student Loan Laws

There are obviously many laws passed by Congress every year. So the idea that a "new" law has been passed is really not that far-fetched (although laws effecting student loans are important changes and typically do not occur very often). However,

if an advertisement does not reference the name of the new loan then that should raise some concern.

“Offer expires soon”

Should you receive something that states that the offer in question expires soon, be cautious. Your eligibility for student loan relief has nothing to do with your prompt response to such an advertisement. While it may be true that you could immediately reduce your payments, the idea of the offer expiring is not accurate.

Confusing or Misleading Information

If you look at the advertisement and cannot tell who the company is, or what the offer is, then think twice about reaching out to that firm for help. It may seem simplistic, but often the more information that is including is designed to confuse so that you might call the advertiser.

CONCLUSION

The above items should help you formulate a game plan when evaluating an advertisement you receive in the mail. These same principles apply to almost all other forms of advertising as well in this industry. There are some remarkable companies out there doing tremendous work on behalf of the millions of Americans struggling with student loan debt. Please just be cautious and give yourself the best chance for success.

AFSLR

The Association for Student Loan Relief (AFSLR) exists as a body to educate companies that are currently in the student relief industry on the various issues of regulatory compliance, as well as the various products and services that might currently be available. We do not police the industry, nor provide legal advice of any kind. We encourage all companies, whether they are members of AFSLR or not, to become more educated on the various relief options that are available to consumers. Everyone's situation is unique and must be treated as such.

All of our member companies are required to abide by a Code of Ethics. These core values include Honesty, Fairness, Promise-Keeping, Respect for Others, and Integrity.

It should be noted that if you are dealing with a member of AFSLR (and we will be happy to verify any company's membership in our organization) then we will be happy to act as an intermediary between you and the company to help address any issues you may have with that company. While we cannot guarantee any outcomes, we can ensure that your issue is addressed appropriately or else the member company may be subject to expulsion from AFSLR.