



STUDENT LOANS CAN BECOME A CREDIT NIGHTMARE

For most Americans, Student Loans are a necessary for getting a good education. But, when payments are missed, and Student Loans go into default, they can become a **CREDIT nightmare!**

Student Loans have been a huge problem long before politicians started talking about “Forgiveness”.

Student Loans are now one of the largest sources of consumer debt in the U.S., and they impact more than just the primary borrower. When the loan has a co-signer, their CREDIT is affected the same way as the primary borrower. (In 2020, 92% of undergrad private Student Loans had a cosigner.)

If the Student Loan Forgiveness Plan passes, it will wipe out up to \$20,000 of student debt for the 26 million borrowers already approved for debt cancellation.

If the plan fails, the U.S. Department of Education Undersecretary James Kvaal warned there could be a "historically large increase in the amount of Federal Student Loan delinquency and defaults..."

Whether this Student Loan Forgiveness plan passes or fails, millions of Credit Reports are about to change.

Student Loans affect your CREDIT the same way other installment loans do. If you pay them back as agreed, it's great for your CREDIT. But if you make late payments – or go into default and collections – it can seriously damage your CREDIT and hurt your long-term financial health. Student Loans remain on your Credit Reports for up to seven years, and they impact your CREDIT for both the original borrower and the cosigner.

The good news is that there are ways to remove Student Loans from your Credit Report. Removing Student Loans can be difficult but it's not impossible. It takes the right process and the right tools.

If you would like help with Student Loans on your Credit Report, call, email, or text for assistance. We are always happy to help you.

Student Loans FYI

Federal Student Loans make up 92% of all Student Loan Debt. Federal Loans will report late payments to the Credit Bureaus after 90 days, and after 270 days, they will report the loan as defaulted.

Private Student Loans make up only 8% of all Student Loan Debt. Private Loans typically report late payments to the Bureaus after 30 days, and after 90 days, they will report the loan as defaulted.

Student Loans will be listed on Credit Reports as delinquent until past-due payments are repaid.

Consider consolidation. When Federal Loans are consolidated, you create a new loan to pay off the old ones. The old loans are then reported to the Credit Bureaus as "paid in full" and "closed."

