

## Student Loan Consolidation Tips

### Things to look out for when Consolidating

While the Federal Government's Loan Consolidation Program is probably one of the best places to consolidate your student loans, there are others out there as well.

### Private Loan Consolidation Companies

There are many private consolidation companies that try many tricks to try and get you to consolidate your loans with them.

Here's what you have to watch out for:

First off, they tell you about the free loan consolidation program of the Federal Government's U.S. Department of Education. Now when borrower hears "Federal Government" they assume that's who they are currently on the phone with and borrowers will feel more trust and be more willing to give out personal information. This is what the private consolidation company portrays.

Other tricks that are used include:

- Convey a sense of urgency.
- They claim NOW is the best time to consolidate because interest rates are low.
- They use that sense of urgency and the interest rate to try and get you to consolidate now, before interest rates go up.
- They normally ask for a student account number, which is usually a Social Security Number so they can find your record on the National Student Loan Data System (NSLDS) and see if you are eligible. This is code for "give me your social security number!"
- They offer a ¼% discount on the interest rate if you have payment made by automatic payment direct debit from your bank account. Now in my opinion, you should never give any creditor access to your bank account.
- They reiterate it's a Federal Program through the Federal Government.

For more information:

Benefits of Student Loan Consolidation  
Student Loan Consolidation FAQ  
Consolidate Your Student Loans Here