

# What to Know About Collections

Missing payments on a loan can have several negative consequences on your financial health — and if missed payments continue, that loan could be sent to collections. However, our goal is to help you stay on track!



If a loan becomes **30 days late**, you'll be contacted by our deferral partner Loan Science, with alternative payment options.



If the loan becomes **120 days late** and is not on an alternative payment plan, you will be sent an “intent to accelerate” letter, informing you that the loan is about to be sent to collections.



When a loan is sent to collections, it can have a severe impact on your credit, which is why working hard to get current *before* an account enters collections can help you recover faster from a late payment!

## What impacts can late payments have on my finances?



Loans that are more than **30 days late** may be charged a late fee. For private loans, this varies by lender and can be either a percentage or flat fee.



Lenders can then also report the issue to credit bureaus, which can adversely affect your credit profile and potentially impact your qualifications for credit cards, auto loans, employment, and more.



Once a loan is sent to **collections**, the collection agency will also charge additional fees when trying to recoup the money, which then adds to the debt.

## What should you do if your loan is sent to collections?



If you're at risk of falling behind on payments and eventually being sent to collections, you can apply for a deferment plan through Loan Science by:

- [Visiting loanscience.com/contact/borrower](https://loanscience.com/contact/borrower)
- Calling (866) 311-9584



After a loan is sent to collections, the collection agency will continue to reach out to you in order to help you set up an alternative payment plan!



The good news is that the impact on your credit scores will diminish over time, and eventually the debt collection will fall off your credit reports completely. However, in general, an account in collections will remain on your credit report for **7 years**.