



# Article Side

The various hazards of defaulted loans by [Nicolettepitterson](#)

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When you apply for a loan, it is assumed that you are going through some kind of financial trouble and are not able to cope up with it and hence require the money. The same holds true for the student loans as well. The students also take up loan in order to complete their higher education in universities.

Usually people have the good intention of paying back the loan amount as soon as they land a good employment. But there are also many a times so happens when the students are unable to get their desired employment since the economic condition of the world is not favourable at the moment. This reason is enough why many students fail to repay their loan amount. This eventually results in the defaulted loans.

Once the students fall into the category of defaulted loans, there are several hazards regarding the loan that they might have to face. The first thing is the lender institution would give the student a few days as the grace period so that he can repay the loan. If he still fails to make the payment in that grace period, he will have to face a lot of serious consequences like the lender institution will transfer his defaulted loan account to the collection agencies.

Once all the details of the student are handed over to the collection agencies, they will send a legal notice to the student asking for the repayment of the defaulted loan. If the student does not respond yet, they will get in touch with the defaulter via mails and phones to make sure that he pays up. They can be really harsh in their behaviour and can even force the defaulter to pay up the defaulted loan by hook or by crook.

Once the collection agencies take over the defaulted loans account, they frequently access the homes of the defaulters and disturb them personally as well as professionally, practically making their lives miserable. It is to be noted that if the collection agencies are able to collect the loans from the defaulters, they are entitled to receive a percentage of amount as their commission.

The best way to get rid of all these harassments from the collection agencies can be to consolidate the student loans and get a better rate of interest from a lending institution and make the repayment of the student loans as soon as possible.

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Nicolette Pitterson is a financial adviser and he has vast knowledge about a [defaulted loan](#) and a [defaulted loans](#). To know more about defaulted student loans he recommends to visit website a <http://defaultedloan.net/>.

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