

SCHOLARSHIP SCAMS

Not all scholarship matching services and scholarship providers are out to help students. How can you tell a legitimate program from a scam?

Scam Warning Signs

- ✓ **Fees** – Financial aid shouldn't cost you to apply.
- ✓ **Money-back guarantees** – No reputable sponsor can guarantee that you will win an award.
- ✓ **Credit card or bank account verification** – Scammers will ask for this information to “verify” or “hold” a scholarship and then drain your bank account or run up charges on your credit card.
- ✓ **Awards** – A scholarship scammer will offer an award for which you did not apply.
- ✓ **No Company contact information** – A scholarship scammer does not release the company's contact information,

Phony Claims You Might Hear

“For a small fee, we'll give you a comprehensive list of scholarships for which you're eligible.” Never spend money of a fee-based matching service. The biggest and best award databases are available for free on the Internet, including Fastweb.

“6.6 billion in scholarship money went unclaimed last year.” Statements about unclaimed awards are misleading, generally referring to tuition reimbursements that aren't available to the public anyway. In general, scholarships are competitive and most awards do get dispersed.

“You are guaranteed a minimum of “1,000 in awards.” A service can't guarantee what you'll receive because they have no control over the decisions of the scholarship judges. *“We have a 96% success rate.”* These false success rates indicate the percentage of students they've successfully matched with the database, NOT the number of students who actually received money.

Financial Aid Advisors: Friend or Foe?

While most advisors want to help, a few look to take advantage of unsuspecting students. Here are some tips to make sure you get a qualified professional.

Talk to your guidance counselor's office – They may be able to tell you if they've had trouble with any consultant in particular.

Consider the advisor's qualifications - Try to find a consultant who has worked in a university financial aid office or is a Certified Public Accountant (CPA).

Never use a consultant who encourages you to do something unethical, such as lying about your assets – If you falsify financial aid forms, you can end up paying a big fine – or in jail.

Source
FastWeb