

Scholarship Scams Tip Sheet

How do I recognize a scholarship scammer?

A scammer:

- Indicates you won an award for which you didn't apply
- Does not supply valid contact information
- Guarantees you will win an award
- Requires personal financial information (such as, credit card numbers or checking account numbers) to verify or hold a scholarship
- Charges a fee to apply for a scholarship

How do I recognize a legitimate scholarship services?

A legitimate service:

- Does not guarantee you will win an award
- Sends information about awards when you request it
- Makes contact information available upon request
- Should not direct you to a fee-based provider because they know that financial aid information is readily available for free

What if you suspect a scam?

- Save all of the forms you receive from the company
- Keep copies of written details about the offer and any correspondence, emails or other paperwork
- Make sure all materials are dated
- Take notes during seminars and phone conversations (record the date, time, phone number and the person's name with whom you spoke)
- Include a detailed account of your conversation
- Take a copy of all literature and correspondence concerning the scholarship to your school's financial aid office, who can verify the organization is legitimate.

Report suspected scams to the following organizations:

National Fraud Information Center (NFIC)

Ph: 800-876-7060 Web: www.fraud.org

Federal Trade Commission (FTC)

Ph: 877-FTC-HELP (1-877-382-4357)

Web: www.ftccomplaintassistant.gov/

State Attorney General's Office

Visit your state's Web site to obtain state attorney general's contact information. Ask them about filing a complaint with the Bureau of Consumer Protection.

Better Business Bureau (BBB)

Ph: 703-276-0100 Web: www.bbb.org

US Postal Inspection Service (USPIS)

Ph: 800-654-8896

Web: postalinspectors.uspis.gov/

Popular (But False!) Claims

"For a small fee, we'll give you a list of scholarships."

- Never spend money on a fee-based matching service. The biggest and best award databases are available for free on the Internet.

"We'll help you complete complicated forms."

- Information about the Free Application for Federal Student Aid (FAFSA) and other forms is available for free from your guidance counselor, your library and the U.S. Department of Education. You still have to fill out the same basic information for a fee-based service that you would for the FAFSA; how else would they get your information?
- Your college financial aid administrator and College Goal Sunday programs can help.
- For general financial aid or FAFSA related questions call 800-4-FED-AID (800-433-3243).

"You are guaranteed a minimum of \$1000 in awards."

- A service can't guarantee any scholarships because they have no control over the scholarship judges' decisions.

"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 receive money.

"We'll need a bank account and pin or credit card number to verify your information."

- Your bank account and credit card information are confidential. A legitimate scholarship provider won't ask for this information.

"We will do all the work for you."

- To win a legitimate scholarship, you must submit your own applications, write your own essays and solicit your own letters of recommendation

Financial Aid Seminars & Consultants

How do I protect myself from being scammed by a consultant or financial aid seminar?

Consultants

- When choosing to utilize the services of a consultant, consider their qualifications carefully. Find someone who has worked as a college financial aid administrator, Certified Public Accountant (CPA) or Certified Financial Planner (CFP).

Seminars

- Some seminars will indicate that their presentation is free and use high pressure tactics to get you signed up for their service, while only answering questions after you agree to pay a fee. Keep in mind that no one can find loopholes to help you save money. Don't trust anyone who encourages you to do something unethical. If you falsify financial aid forms, you can end up with a \$20,000 fine, be sent to prison or both. If you need help understanding the financial aid process, contact your financial aid office as soon as possible.

Quick Reference Guide for High School Students

2011-2012 Planning Calendar

September - National College Savings Month

- 9 - SAT Registration Deadline for 10/1 Test
- 10 - ACT Test Day (Selected States)
- 16 - ACT Registration Deadline for 10/22 Test
- 21 - SAT Late Registration Deadline for 10/1 Test
- 22 - 24 - NACAC's National Conference
- 30 - ACT Late Registration Deadline for 10/22 Test

Request letters of recommendation from faculty.

October – Choose AP coordinators if participating

- 1 - SAT & Subject Tests
- 7 - SAT Regular Registration Deadline for 11/15 Test
- 21 - SAT Late Registration Deadline for 11/5 Test
- 22 - ACT Test Day

Early Decision/Action deadlines

November - National Scholarship Month

- 4 - ACT Regular Registration Deadline for 12/10 Test
- 5 - SAT & Subject Tests
- 8 - SAT Registration Deadline for 12/3 Test
- 18 - ACT Late Registration Deadline for 12/10 test
- 20 - SAT Late Registration Deadline for 12/3 Test

Early Decision/Action deadlines

December

- 3 - SAT & Subject Tests
- 10 - ACT Test Day
- 30 - SAT Registration Deadline for 1/28 Test

January 2012 – FAFSA submission begins 1/1/2012

- 13 - ACT Registration Deadline 2/11 Test
- 13 - SAT Late Registration Deadline for 1/28 Test
- 20 - ACT Late Registration Deadline for 2/11 Test
- 28 - SAT & Subject Tests

February - Financial Aid Awareness Month

- 10 - SAT Registration Deadline for 3/10
- 11 - ACT Test Day (except in NY)
- 24 - SAT Late Registration Deadline for 3/10

March

- 9 - ACT Registration Deadline for 4/14
- 10 - SAT Test
- 23 - ACT Late Registration Deadline for 4/14

April - National Financial Literacy Month

- 6 - SAT Registration Deadline for 5/5 Test
- 14 - ACT Test Day
- 20 - SAT Late Registration Deadline for 5/5 Test

May

- 1 - National Candidates' Reply Date
- 4 - ACT Registration Deadline for 6/9
- 5 - SAT & Subject Tests
- 7 - AP Exams Week 1
- 8 - SAT Registration Deadline for 6/2 Test
- 14 - AP Exams Week 2
- 18 - ACT Late Registration Deadline for 6/9
- 22 - Late Registration Deadline for 6/2 Test

June

- 2 - SAT & Subject Tests
- 9 - ACT Test Day
- 30 - Last day to submit 2011-2012 FAFSA

July

- 1 - AP scores available by phone, AP grades sent

Web Resources

Information about Financial Aid

Fastweb

www.fastweb.com

FinAid

www.finaid.org

Fastweb's College Gold

www.collegegold.com

EduPASS: International Students

www.edupass.org

College Goal Sunday

www.collegegoalsundayusa.org

Federal Student Aid for Students

www.studentaid.ed.gov

Mapping Your Future

www.mappingyourfuture.org

FTC Project Scholarship Scam

www.ftc.gov/scholarshipscams

Guide to Federal Student Aid

www.studentaid.ed.gov/guide/

Financial Aid Calculators

www.finaid.org/calculators

Financial Aid Applications

CSS/Financial Aid PROFILE

profileonline.collegeboard.com

FAFSA

www.fafsa.ed.gov

FAFSA PIN Registration

www.pin.ed.gov

FAFSA 4Caster

www.fafsa4caster.ed.gov

Sources of Aid

Scholarship Search

www.fastweb.com

College Savings Plan Network

www.collegesavings.org

Americorps

www.americorps.gov

City Year

www.cityyear.org

Direct Loans

www.direct.ed.gov

Student Loans

www.studentloans.gov

General Information

Social Security Administration

www.ssa.gov

Selective Service

www.sss.gov

Student Gateway to U.S. Government

www.students.gov

Study Abroad

www.studyabroad.com

U.S. Department of Education

www.ed.gov

College Admissions and Testing

ACT (American College Testing)

www.actstudent.org

AP (Advanced Placement)

www.apcentral.collegeboard.com

SAT (Scholastic Assessment)

www.sat.collegeboard.org

PSAT (Preliminary SAT)

www.collegeboard.com/psat

Admissions Information

www.admissions.com

College Search

www.fastweb.com/college-search

College

www.college.gov

Choosing a Major and Career

MonsterCollege

www.monstercollege.com

Bureau of Labor Statistics

www.stats.bls.gov

Occupational Outlook Handbook

www.bls.gov/oco

Loan Information

Always borrow federal loans before pursuing private/alternative loans. Since July 1, 2010, all new federal Stafford loans, PLUS all Consolidation Loans are made through the Direct Loan program. Stafford and PLUS loans, including the Parent PLUS loan, can be obtained through your college's financial aid office.

Federal Perkins Loan

Awarded based on exceptional need.
Interest is subsidized and fixed at 5%. No fees.
Favorable benefits may be lost upon consolidation.

REPAYMENT begins 9 months after graduation or dropping below half-time enrollment status.

Federal Stafford Loan

Subsidized

Interest accrues starting 6 months after graduation.
Fixed interest rate is 3.4% if loan originated on/ after July 1, 2011 for undergraduate students. 1% fees.

Unsubsidized

Interest accrues during school.
Fixed interest rate is 6.8% if loan originated on/ after July 1, 2006. 1% fees.

REPAYMENT begins 6 months after graduation or after dropping below half-time enrollment status.

Federal Parent PLUS Loan

If loan originated on/after July 1, 2006:
Direct PLUS fixed interest rate is 7.9% with 4% fees.

REPAYMENT begins 60 days after full disbursement, or 6 months after student graduates or drops below half-time. Interest continues to accrue during deferment.

Federal Consolidation Loan

Combine loans to one lender. Fixed interest rate is the weighted average of the loans rounded up to the nearest 1/8 of a % and capped at 8.25%.
For more information visit, loanconsolidation.ed.gov

Private/Alternative Loan

Eligibility, interest rate and fees based on better of borrower and cosigner credit scores. More expensive than Federal student loans.

Loan Limits	Dependent Student	Independent Student*
Perkins		
Annual Limit	\$5,500	\$5,500
Aggregate Limit	\$27,500	\$27,500
Subsidized Stafford		
Freshman Year	\$3,500	\$3,500
Sophomore Year	\$4,500	\$4,500
Junior Year	\$5,500	\$5,500
Senior Year	\$5,500	\$5,500
Aggregate Limit	\$23,000	\$23,000
Unsubsidized Stafford**		
Freshman Year	\$5,500	\$9,500
Sophomore Year	\$6,500	\$10,500
Junior Year	\$7,500	\$12,500
Senior Year	\$7,500	\$12,500
Aggregate Limit	\$31,000	\$57,500
Parent PLUS Loan		
Annual Limit	***	Ineligible
Aggregate Limit	None	Ineligible

* or dependent student whose parent was denied a Parent PLUS loan

** Annual limits reduced by amount of subsidized Stafford loans.

*** Cost of Attendance (COA) includes tuition, fees, room and board, books, supplies and other college expenses.

Student Loan Web Resources

Common Origination and Disbursement

www.cod.ed.gov

Direct Loans

www.ed.gov/directloan

Direct Loan Servicing

www.dlssonline.com

Direct Consolidation Loan

loanconsolidation.ed.gov

Federal Student Loans

studentloans.gov

FSA Ombudsman

www.ombudsman.ed.gov

National Student Loan Data System

www.nsls.ed.gov

Project on Student Debt

www.projectonstudentdebt.org

Student Loan Borrower Assistance

www.studentloanborrowerassistance.org

Default Management

ifap.ed.gov/DefaultManagement