

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)

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 use high pressure tactics to get you signed up for their service, while only answering questions after you agree to pay a fee. Don't trust anyone who encourages you to do something unethical. If you falsify financial aid forms, you can be fined \$20,000, 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

2010-2011 Planning Calendar

September - National College Savings Month

- 10 - SAT Registration Deadline for October 9th Test
- 11 - ACT Test Day (Selected States)
- 17 - ACT Registration Deadline for October 23rd Test
- 24 - SAT Late Registration Deadline for October 9th Test

Request letters of recommendation from faculty.

October

- 1 - ACT Late Registration Deadline for October 23rd Test and first day to register for PROFILE
- 8 - SAT Regular Registration Deadline for November 6th Test
- 9 - SAT & Subject Tests
- 22 - SAT Late Registration Deadline for November 6th Test
- 23 - ACT Test Day

Early Decision/Action deadlines

November - National Scholarship Month

- 5 - Registration Deadlines - SAT December 4th / ACT December 11th
- 6 - SAT & Subject Tests
- 19 - Late Registration Deadlines - SAT December 4th / ACT December 11th

Early Decision/Action deadlines

December

- 4 - SAT & Subject Tests
- 11 - ACT Test Day
- 23 - SAT Registration Deadline for January 22nd

January

- 1 - First Day to Submit 2010-2011 FAFSA
(early completion maximizes chances for aid)
- 7 - Registration Deadlines - SAT February 12th / ACT January 22nd

- 21 - ACT Late Registration Deadline for February 12th
- 22 - SAT & Subject Tests

February - Financial Aid Awareness Month

- 11 - SAT Registration Deadline for March 12th
- 12 - ACT Test Day (except in NY)
- 25 - SAT Late Registration Deadline for March 12th

March

- 4 - ACT Registration Deadline for April 9th
- 12 - SAT Test
- 18 - ACT Late Registration Deadline for April 9th

April

- 8 - SAT Registration Deadline for May 7th Test
- 9 - ACT Test Day
- 15 - Deadline to file your 2010 Federal Income Tax Return
- 22 - SAT Late Registration Deadline for May 7th Test

May

- 1 - National Candidates' Reply Date
- 3 - 7 - AP Exams Week 1
- 6 - Registration deadlines - SAT June 4th / ACT June 11th
- 7 - SAT & Subject Tests
- 10 - 14 - AP Exams Week 2
- 20 - Late Registration Deadlines - SAT June 4th / ACT June 11th

June

- 4 - SAT & Subject Tests
- 11 - ACT Test Day
- 30 - Last day to submit 2010-2011 FAFSA on the Web applications

July

- 1 - AP scores available by phone

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

ftc.gov/scholarshipscams

Guide to Federal Student Aid

studentaid.ed.gov/guide/

Financial Aid Calculators

www.finaid.org/calculators

Sources of Aid

Scholarship Search

www.fastweb.com

College Savings Plan Network

www.collegesavings.org

***AmeriCorps**

www.americorps.gov

***City Year**

www.cityyear.org

CSS Financial Aid PROFILE

profileonline.collegeboard.com

Direct Loans

www.ed.gov/directloan

Student Loans

www.studentloans.gov

*Award upon successful program completion

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

CollegeBoard

www.collegeboard.com/

ACT

www.actstudent.org

AP

www.collegeboard.com/student/testing/ap/about.html

SAT

www.sat.org

PSAT

www.collegeboard.com/student/testing/psat/about.html

Admissions Information

www.admissions.com

College Search

www.nces.ed.gov/collegenavigator

College

www.college.gov

Choosing a Major and Career

MonsterCollege

www.monstercollege.com

Career One Stop

www.fastweb.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.

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 4.5% if loan originated on/ after July 1, 2010 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.
On loans first disbursed on or after July 1, 2009, annual limits have increased by \$2,000 for independent and dependent undergrads.

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 minus other aid received

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.nslds.ed.gov

Project on Student Debt

www.projectonstudentdebt.org

Student Loan Borrower Assistance

www.studentloanborrowerassistance.org

Default Management

ifap.ed.gov/DefaultManagement