



Scholarship Scams

Each year, college-bound students must figure out how they will afford to pay tuition and other college costs. Unfortunately, in their search for legitimate funding sources, students often fall prey to scam artists who take advantage of their need. To reduce your risk of getting scammed, familiarize yourself with the following information about recognizing common scams and finding legitimate scholarships.

Common Scam Lines Debunked

It's probably a scam if you are told that:

- You are guaranteed a scholarship. No one can guarantee you a scholarship, and refunds are often difficult or impossible to get.
- You can't get their information anywhere else. Free scholarship information is available through many sources, such as school and local libraries, the Internet, and private companies.
- You have to give them your credit card or bank account number to hold a scholarship for you. If someone tells you they need your credit card or bank account number to "reserve" or "hold" a scholarship for you, don't give it to them. Scam artists could use this information to make unauthorized withdrawals from your account.
- You don't have to do any work. No one can apply for scholarships or grants for you; you must apply for them yourself.
- You have to pay a fee or other charge to get the scholarship. You don't have to pay for grants or scholarships. If you're paying for it, it's not free.
- You've been "selected" to receive a scholarship you never applied for, or are a "finalist" in a contest you never entered. Scholarships and grants are applied for, not randomly given away.

Keep in Mind...

While legitimate companies may charge a fee for services such as comparing a student's profile with a list of scholarship opportunities for which he or she may qualify, they will never guarantee or promise scholarships or grants.

Financial Aid Seminars

Some seminar sales pitches advise you to "act now or risk missing out on this opportunity" in an attempt to rush you into making a quick decision. If the opportunity is legitimate, however, you will have sufficient time to think it through.

- Talk to your high school guidance counselor or financial aid advisor before paying. It is possible that the assistance offered by the service is available for free.
- Ask for the names of at least three local families and talk to them to see if they are satisfied with the company's service. The success stories you hear at seminars may be told by paid spokespersons.
- Be suspicious if seminar representatives are reluctant to answer or give you evasive answers to your questions.
- Find out what services are offered, how much they cost, and what kind of refund policy applies – and get this information in writing.

Reduce Your Risk of Getting Scammed

Before using a scholarship service, do the following to reduce your risk of getting scammed:

- Do a background check on all scholarship services before you use them by calling the Better Business Bureau and asking for a reliability report.
- Get a second opinion - ask your high school guidance counselor, financial aid advisor, or college financial aid administrator if they've had any experience in dealing with the service.
- Check to see if the company is listed or has an 800 number by calling Directory Assistance. If they aren't listed, be suspicious.
- Get all offers in writing, and make sure information about cancellation policies, refund policies, and guarantees are included.

Remember - Most of the "assistance" offered by scholarship service companies are available for free through high school counseling offices, college financial aid offices, and public libraries. There are many options to consider, including the following: federal, state, and local aid programs; financial institutions' loan plans; home equity loans; and scholarships, fellowships, or other programs offered by colleges, community organizations, and businesses.

Better Business Bureau
www.bbb.org

Federal Trade Commission
www.ftc.gov

Office of the Illinois Attorney General
www.IllinoisAttorneyGeneral.gov

please visit
www.IllinoisAttorneyGeneral.gov



Chicago
1-800-386-5438
TTY: 1-800-964-3013

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1-800-243-0618
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