

Avoiding scholarship scams

Scholarship scams have been around for years. According to the Federal Trade Commission, if you hear these lines from a scholarship service, you may be getting duped:

- “The scholarship is guaranteed or your money back.” No one can guarantee that you’ll get a grant or a scholarship. Refund guarantees often have conditions or strings attached. Get refund policies in writing, and read the fine print.
- “You can’t get this information anywhere else.” There are thousands of scholarships you can research through free means. It’s highly doubtful that a company would have an exclusive list of scholarships that you can’t find through another source.
- “I just need your credit card or bank account number to hold this scholarship.” Don’t give your credit card or bank account number without getting information in writing first. You might become the victim of an unauthorized withdrawal from your account.
- “We’ll do all the work.” Don’t be fooled. You must apply for scholarships or grants yourself.
- “The scholarship will cost money.” Don’t pay anyone who claims to be “holding” a scholarship or grant for you.
- “You’ve been selected” by a “national foundation” to receive a scholarship, or “You’re a finalist” in a contest you never entered. Before you reply to a scholarship offer you didn’t initiate, check it out. Make sure the foundation or program is legitimate.

What to do if you suspect an offer is a scam

Start with your school counselor. Also, the following organizations can help you decide if an offer is legitimate. They will tell you whether they have received any complaints about the company, or whether the company is currently under investigation. Look for these organizations online or call for more information:

- Better Business Bureau (BBB) in the city where the scholarship service is located
- Federal Trade Commission, 1 877 FTC-HELP or www.ftc.gov/scholarshipscams
- State bureau of consumer protection
- State attorney general’s office
- National Fraud Information Center (NFIC), www.fraud.org

For more information about scholarship scams, visit www.finaid.org.

For more information about college costs and financial aid, visit the Pay for College section at www.collegeboard.com.

Source: *Education Loan Program, The College Board*

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