



Financial Aid News

Avoiding Scholarship Scams

Now is the prime time to apply for 2010-2011 outside scholarships . There are many ways to do this, but keep in mind that there are also many scams out there. Protect yourself with the following tips.

Use caution if fees are involved. Even if the organization turns out to be legitimate, it is never in your best interest to respond to an offer with an up-front fee. If you must pay money to get money, it might be a scam.

Get an independent opinion from a trusted source. A financial aid administrator at a local college or university, the local reference librarian, or your high school guidance counselor are good examples of these.

Call Directory Assistance to see if the company has a listing. If they don't, probably not legit. You can reach Directory Assistance by dialing 1 followed by the area code and 555-1212. (Use 1-800-555-1212 to see if they have a toll-free number.) You can also look for a listing online using 555-1212.com, [BigBook](http://BigBook.com), [Switchboard](http://Switchboard.com), [WhoWhere](http://WhoWhere.com), [WorldPages](http://WorldPages.com), Yahoo People Search and [Zip2](http://Zip2.com). Another red flag to watch for is an address that originates from Florida or California.

Never give out personal information to strangers. Don't divulge your checking or savings account numbers, social security number or other personal information, no matter how reasonable the request sounds.

Get it in writing before responding. Get offers, cancellation and refund policies and guarantees in writing before sending money. Then read all the fine print. Don't rely on verbal promises.

Ask the organization how it got your name. If they got your name from a reputable source, verify it with that source. The College Board, for example, only releases its mailing lists to colleges, universities and carefully vetted nonprofit tax-exempt foundations. Scams often use carefully written scripts designed to elicit your SAT score or GPA and then feed it back to you later in the conversation to reassure you as to its legitimacy.

Ignore offers that involve time pressure. If the company demands an immediate response, respond by hanging up the phone. Many scholarships will have deadlines and make it the student's responsibility to respond.

Trust your instincts. If you feel uneasy about an offer, don't spend any money until you've addressed your concerns. Your initial suspicious reaction to an offer is often correct.

Keep good records. Keep photocopies of your correspondence with the company and the company's promotional materials, and take notes during any telephone conversations. If it does turn out to be a scam, include these materials with your complaint to law enforcement agencies.