

# Scholarship Scams

As with any area involving money, finding scholarships for college is full of potential to be scammed. Treat your hunt for scholarship funds the same as you would any other financial transaction – with caution.

Here are a few tips:

- Avoid matching services that involve paying a fee. Use the Internet instead, and look online for free services matching students with scholarships. Chances are the scholarship scammers are using the same online service and will charge you for information you can get for free. Rule of thumb: Your only cash outlay to get a scholarship or information should be the cost of a stamp on an envelope.
- Some matching services might claim they have information you can only get from them, or they have a high matching success rate. Beware anyone claiming to have special or unique information.
- Ignore unsolicited written offers or phone calls. If you didn't specifically ask for scholarship information from a particular company it's likely a scam. Legitimate scholarship groups aren't going to hunt you down and ask you to take their money.
- Don't pay application fees, or any fee called a "processing" fee or any amount in advance for a promised scholarship.
- There are no guarantees. No matching service can deliver on a promise that you'll get a scholarship. Beware too, of promises to refund your money if you don't get a scholarship.
- If you talk to someone offering a scholarship on the phone, take notes. Get names, dates and times of conversations, and what was said. You'll need that information if you get scammed or even suspect a scam and want to report it.
- DON'T give out Social Security numbers or banking or credit card information.
- Don't be rushed. If there's a "time limit," ignore the offer. If anything sounds at all like a high pressure tactic ("You have to sign up today or the money will be gone!" or "I can only hold this scholarship for you for a little while.") hang up the phone.
- Avoid scholarship seminars. You'll be subjected to high-pressure tactics to part with your money.

If you want to report a scam, call the Federal Trade Commission at (877) 382-4357. While it won't handle your individual problem, it does gather numbers and look for patterns. Also notify the attorney general in your state.