

SPOTLIGHT: SCHOLARSHIP AND FINANCIAL AID SCAMS

DON'T GET SCHOOLED BY SCAMMERS



Going to college, vocational school, or a certificate program can often help you move up in your career and make more money — but it can also be expensive. Scammers take advantage of that, saying they'll help you get financial aid or scholarships to pay your tuition bills. Really, they're just trying to take your money or steal your personal information.

How it might happen...



Scammers will try and get in contact with you by:



Social media posts
or direct messages



Email



Physical mail



The message may look like a personalized invitation saying you've been selected for a particular scholarship or financial aid package.



They may leave you with call-back information or details about an in-person workshop.



These calls and events are usually high-pressure sales pitches where they pressure you to immediately pay for their services — or you'll lose out on this "special" scholarships or financial aid.

COMMON RED FLAGS

Not sure if an offer is a scam? Here's how to tell. If someone advertises an offer with any of these phrases, or a variation, it's a scam.



"The scholarship is guaranteed or your money back."



"You can't get this information anywhere else."



"I just need your credit card or bank account number to hold this scholarship."



"We'll do all of the work. You just pay a processing fee."



"The scholarship will cost money."



"You're a finalist [for a contest you never entered]."

Here are some key things to remember when looking for scholarships and/or financial aid:

- Legitimate scholarship program do not require upfront fees.
- Scammers love untraceable forms of payment. This includes cash, wire transfer, gift cards or cryptocurrency.
- Never give out your credit or bank account number.
- If the person on the other end of the message or phone won't reveal who they are, it's a HUGE red flag.
- There is no such thing as a guaranteed scholarship in exchange for a fee. Legitimate scholarships are based on merit or need, not on your willingness to pay a registration fee.

ATTENDING A SEMINAR



If you go to a financial aid or scholarship seminar, follow these steps:

Don't pay any money at the seminar. Only scammers will tell you to pay now or you'll lose out on the opportunity. Solid opportunities are not sold through nerve-racking tactics like rushing and high pressure.

Investigate the organization and other options before you pay anything. Search online for the organization's name plus the words "complaint" and "scam." Look up reviews. Call your school directly to see if there is free help available with a school guidance counselor or financial aid advisor.

Don't trust "success" stories. The seminar operator may have paid people to tell amazing stories. Instead, ask for a list of at least three local families who've used the company's services in the last year. Follow up with the families and ask if they're satisfied with the products and services they got.

Don't do business with anyone who's reluctant to answer questions or give details. Legitimate business people give you information about their service.

Ask how much money you'll have to pay, and learn about the company's refund policy. Get information on the total cost and get it in writing. Keep in mind that scammers are going to make it difficult to get your money back, no matter what their refund policy says.

PROTECT YOUR IDENTITY



Identity theft can occur when criminals access personal data such as names, Social Security numbers, and bank and credit card information. Using the stolen information, the scammer can apply for credit cards, set up cell-phone accounts and more. Here are some tips to avoid ID theft when applying for financial aid:

- Apply for federal student aid by filling out the [FAFSA form at the official website](#) or on our myStudentAid mobile app.
- After completing the FAFSA form online, exit the application and close the browser; any cookies created during your session will be deleted automatically.
- Don't tell anyone your [FSA ID username or password](#), even if that person is helping you fill out the FAFSA form.
- Review your financial aid offers and keep track of the amounts you applied for and received.
- Never give personal information over the phone or internet unless you made the contact. If you have questions about an offer of aid or about your student loan account, ask your college or contact the [Federal Student Aid Information Center](#).
- Federal Student Aid securely stores your information within the National Student Loan Data System (NSLDS®) database and provide access to it when you [log in to your account](#). However, if you complete or even request a student loan application from a lender, you may be granting the lender permission to access your file. Before providing personal information to an organization, review its privacy policy.
- Keep receipts and documents (for example, credit applications or offers, checks and bank statements) with personal information in a safe place, and shred them when you are finished with them.

For more information on protecting yourself from identity theft, visit consumer.sc.gov and click Identity Theft Resources.



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