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**NEWS RELEASE**

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**PHEAA Advises Families to Be Aware of Scholarship Scams**  
*If it sounds too good to be true, it probably is*

**Harrisburg, PA (April 16, 2009)** – Students and families across Pennsylvania are knee-deep in the financial aid application process for college in the fall. They may also be the recipients of information from companies offering assistance in securing scholarship awards. Many of these organizations offer their services for a fee and that's one of the first signs that you may be dealing with a scam.

Tens of thousands of unsuspecting families are taken advantage of by scholarship scams to the tune of about \$100 million each year. There are legitimate companies that offer these services but families need to be aware of scam warning signs.

"Especially now, in these uncertain economic times, family budgets are stretched thin trying to pay for a college education," notes Representative William Adolph, Jr., Chairman of the PHEAA Board. "We don't want anyone to pay hundreds or even thousands of dollars and get nothing in return. Such spending is absolutely not necessary when PHEAA and financial aid administrators are dedicated to providing advice for free."

If students or parents receive an email, letter or invitation to a financial aid seminar that includes any of the following claims, families should beware.

- "You're guaranteed a scholarship or you'll get your money back."
- "You can't get this information anywhere else."
- The company will do all the work for you.
- The company requests your credit card or bank account number to 'hold' a scholarship for you.
- "Congratulations! You've been awarded a scholarship. Please send \$500 and we will release the scholarship to you." But you haven't applied for one.

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The truth is that there are no secrets about applying for scholarships or other forms of financial assistance. Everything these companies offer, can be done for free.

“Most students planning for college are not thinking about the amount of debt they may accumulate over the course of their education,” said Senator Sean Logan, Vice Chairman of the PHEAA Board. “We want them to realize that the more free awards they receive, such as scholarships and grants, the less debt they have when they graduate. Time spent looking for scholarships and grants is time well-spent.”

The Free Application for Federal Student Aid (FAFSA) is the form that determines eligibility for most grants, work-study, institutional awards, reduced-cost loans and many scholarships. If families have not already started the application process, they can access the FAFSA online at [PHEAA.org/fafsa](http://PHEAA.org/fafsa). The site also includes frequently asked questions about the FAFSA and a free tutorial to help you complete the application.

PHEAA reminds students that the Pennsylvania State Grant deadline is May 1. The first step to determine eligibility for the need-based award is to complete and submit a FAFSA.

PHEAA's career and college planning website, [EducationPlanner.org](http://EducationPlanner.org), includes one of the largest free scholarship searches available on the Internet, with more than 1.8 million awards worth more than \$8 billion. Students complete a brief questionnaire about themselves and the search engine matches them with scholarships for which they may qualify. This information is not shared with any third parties.

Students should also ask their school counselor if they are aware of scholarships that are offered locally. Many community, civic and religious organizations as well as professional organizations, businesses and foundations offer scholarship programs.

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#### **About PHEAA**

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation's leading nonprofit student aid organizations. Today, PHEAA is a national provider of student financial aid services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing systems and outreach programs. As a nonprofit organization belonging to the Commonwealth of Pennsylvania, PHEAA devotes its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for Pennsylvania's students, families, schools and taxpayers.