



PRESS RELEASE

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COLORADO ATTORNEY GENERAL CYNTHIA H. COFFMAN WARNS CLASS OF 2015 ABOUT SCHOLARSHIP AND STUDENT LOAN SCAMS

DENVER—As young Coloradans begin the next stages of their education or their professional life, they are often attractive targets for scams. In the interest of alerting graduates and their loved ones to the increasingly-sophisticated means criminals use to entice them, the Colorado Attorney General's office has compiled this list of the Top Five Tips from www.StopFraudColorado.gov to help protect against unscrupulous scholarship offers and student loan scams.

1. Ask questions

Most fraudulent organizations do not have the infrastructure necessary to fool a wary consumer, so asking a few simple questions can expose scams. For example, if an entity says that a student or parent needs to pay a processing fee to determine eligibility for financial aid, ask why their financial aid opportunity is not offered through the Free Application for Federal Student Aid (FAFSA).

2. Do research

If straightforward questions are not enough, do some independent research. If a group charges applicants to apply for a scholarship, visit their website to determine how long the scholarship has been offered and who the past recipients were.

3. Understand terms and conditions

It sounds obvious, but students and parents should only agree to commitments that they thoroughly understand. Unfortunately, many students do not understand the basic terms and conditions of their student loans. To avoid damaging credit scores and your financial well-being, wait to sign until you know the balance, interest rate, repayment status, and grace period for your loan.

4. If it is too good to be true, it probably is

Have you been notified that you have won free tuition to a college of your choosing or that your student loans have been completely forgiven? If you have been contacted, remember that these offers are almost always too good to be true. If you do not have the time to investigate these offers, it is probably better to avoid them completely.

5. Report suspicious activity

If you are still unsure after asking questions and performing independent research, file a report at www.StopFraudColorado.gov. If you are concerned about the legitimacy of a scholarship or student loan offer, it is likely others have asked the same questions.

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