

Avoiding FAFSA Scams

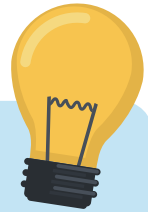
Since the COVID-19 pandemic, a number of companies are contacting consumers to help find “Biden loan forgiveness” or “pandemic grants.” Many companies offer commercial financial aid services. These services might include advice or consultation to help answer questions related to FAFSA or the estimated family contribution, offer help in seeking or securing financial aid (scholarships, low-interest loans), or complete applications for FAFSA or other assistance. Such companies are not illegal.

However, before engaging with a company offering financial aid advice or services, know what the company is promising or delivering, and fact-check their claims. Be wary of an agency that does the following:

- Promises a specific grant or scholarship award.
- Does not have references.
- Has a fee based on the percentage of aid the parent/guardian or student receives.
- Does not sign its name as “preparer” on the FAFSA form completed on behalf of the parent/guardian or student.
- Asks for your FSA ID.



The FAFSA form is free to complete. You do not have to pay someone to complete FAFSA on your behalf. Students and parents can complete FAFSA in less than 30 minutes. Additionally, free assistance is available. Check out some of the following places for help:



What Is Alabama FAST?

Alabama FAST is the FAFSA (Free Application for Federal Student Aid) Application Survival Toolkit, an initiative of Human Sciences Extension at Auburn University. It provides information and resources to high school students, parents, guardians, school counselors, career coaches, and administrators across the state to aid in making informed decisions about the FAFSA process. Learn more at www.aces.edu/FAFSA.

FAFSA Facts

- The United States Department of Education uses FAFSA to determine post-secondary education financial assistance.
- It is recommended that students complete the FAFSA form even if they are not sure that they need additional aid.
- More than \$120 billion is awarded yearly to college students through FAFSA.
- Federal Pell Grants are monies awarded to undergraduate students with exceptional financial needs. They do not require repayment. An estimated \$3.75 billion in Pell Grants was unused in 2021 because many did not file.
- Funding is provided first come, first served.
- Filing FAFSA is free.

Local

- High school, university, and community college financial aid counselors

Alabama

- Alabama Possible
- Alabama College Attainment Network
- Alabama State Department of Education
- Alabama Community College System
- Alabama Commission on Higher Education

National

- FAFSA website
- FAFSA Customer Service
- Federal Student Aid Information Center
- Consumer Action

Find complete contact information for these resources at www.aces.edu/FAFSA.

Avoiding FAFSA Scams

1. Never pay to complete FAFSA.

Websites will offer help to complete your form for a fee. These sites are not affiliated with nor endorsed by the United States Department of Education. Scammers may also falsify application information so you qualify for more financial aid, which may lead to serious consequences. Seek free help through high school counselors, career coaches, or college student financial aid departments.

2. Go directly to studentaid.gov to complete the form.

Do not search your Internet browser for the federal student aid website. You may unknowingly enter personal information on an unsafe platform or fake website.

3. Protect your federal student aid (FSA) PIN.

Before completing the FAFSA form, you must create a Federal Student Aid (FSA) PIN. Do not share it with anyone, and keep it in a secure place.

4. Close your Internet browser after you submit the form.

This will help protect against identity theft if someone else has access to the computer.

5. Be aware of FAFSA scammers.

Scammers may represent themselves as legitimate businesses and contact you to obtain personal and financial information. Do not give information over the phone or the Internet unless you initiate the contact.

6. File a report if you suspect that you are a victim of fraud.

File a fraud report with the United States Department of Education, and visit the Federal Trade Commission for more assistance.



Portia Johnson, *Extension Specialist*, Assistant Professor, Financial Resource Management and Workforce Development, Auburn University

For more information, contact your county Extension office. Visit www.aces.edu/directory.

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