



Dear Parent,

If your son or daughter is a high school senior, you may already have been contacted. If not, chances are you will be sooner or later. A letter or post card arrives with a personalized invitation for you to attend a free seminar and learn about financial aid. It says many students miss out on financial aid. There is a number to call and confirm your reservation. You are urged to take advantage of this free offer before it's too late!

What you may not know is that the Federal Trade Commission recently identified free financial aid seminars as "the latest trend in scholarship scams." In fact, the FTC has successfully filed lawsuits against some of these companies for deceptive business practices. At best, the seminars are a marketing ploy to get you to attend what amounts to a sales presentation where you will be pressured by financial aid "consultants" to sign a contract for services. The usual pitch is that "secret strategies" will be used to reduce your expected family contribution so you will qualify for more financial aid. Fees vary, but commonly run as high as \$1,000 or more.

In most cases, the strategies involve some form of asset manipulation. However, since the vast majority of families with high assets also have high incomes, such strategies rarely produce more financial aid. And they have no impact at all on eligibility for merit scholarships where need is not a factor.

Consultants may also try to convince you that applying for financial aid on your own is just too complicated, or that you will lose your eligibility if you make an error on the form. This is just not true. Most families complete the application form in about an hour without assistance, although help from experienced professionals is readily available free of charge by calling the college financial aid office or the toll free Federal Student Aid Information Center (1-800-4-FED-AID). Mistakes, if you make any, will be corrected before any funds are disbursed.

The real financial aid professionals who work with students and families every day throughout New Jersey to make college more affordable urge you to *be very suspicious of anyone who claims they can increase or maximize your eligibility for financial aid*. There is simply no evidence that you will receive more financial aid using a consultant than you would have anyway without one. On the other hand, FTC warnings and lawsuits are indisputable evidence of the need for caution.

If it sounds too good to be true, you can bet that it is.

Sponsored by the New Jersey Association of Student Financial Aid Administrators