



Consumer Financial
Protection Bureau

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CFPB Takes Action Against Nationwide Student Financial Aid Scam

Operation Ripped Off Students and Families Applying for College Financial Aid

WASHINGTON, D.C. — Today, the Consumer Financial Protection Bureau (CFPB) announced it is taking action to halt a nationwide student financial aid scam that allegedly ripped off tens of thousands of students and families across the country by illegally charging millions of dollars in fees for sham financial services. The Bureau filed a complaint in federal court against the company, which operates under the names of Student Financial Resource Center and College Financial Advisory, and the individual who owns and operates the scheme. The CFPB is seeking to halt illegal practices and obtain relief for harmed consumers.

“Student Financial Resource Center and College Financial Advisory scammed thousands of students by masquerading as government agencies and other trusted organizations,” said CFPB Director Richard Cordray. “Students and families were looking for information on how to pay for college, instead they were illegally charged millions of dollars for sham financial services. We will continue to take strong action against those who deceive consumers.”

Global Financial Support, Inc. is a California corporation owned by Armond Aria that operates under the names of College Financial Advisory and Student Financial Resource Center. According to the Bureau complaint, the deceptive scheme run by Aria and his businesses operates under the guise of a government or university-affiliated operation.

The defendants allegedly send millions of deceptive letters to students and their families claiming to match them with targeted financial aid assistance programs for a fee. In reality, many consumers receive nothing in exchange for their fee and the scheme reaps millions of dollars in illegal fees.

The CFPB alleges in its complaint that the defendants are exploiting consumer uncertainty regarding how to use free federal financial aid resources. The Department of Education operates the Free Application for Federal Student Aid (FAFSA), a national program enabling students to apply for college loans and grants. The Department of Education does not charge any fees to apply for these programs, for which many student loan borrowers qualify.

The Bureau's complaint alleges that Aria and his businesses violated the Dodd-Frank Wall Street Reform and Consumer Protection Act's prohibition against deceptive acts and practices by misleading consumers about their services. The complaint also alleges the defendants violated federal privacy law for failing to provide a required privacy notice. Specifically, the CFPB alleges that they:

- **Trick consumers into thinking they are applying for financial aid services:** According to the CFPB's complaint, since at least January 2011, the company has issued millions of marketing letters under the names Student Financial Resource Center and College Financial Advisory to students and their families. The letters allegedly instruct students to fill out and return an application and a fee—ranging from \$59 to \$78—to apply for the maximum merit and need-based financial aid programs. In exchange for the fee, the company allegedly promises it will conduct extensive searches to target or match consumers with individualized financial aid opportunities. In reality, consumers either receive nothing in exchange for sending in their application and fee, or they get a generic booklet that fails to provide individualized advice.
- **Falsely represent an affiliation with the government or academic institutions:** The company's materials allegedly indicate affiliation with the government and university financial aid offices. According to the CFPB, the scheme uses logos and seals that to make consumers think that its materials are sent or endorsed by the government. The company includes the name of the student's university to give the impression that the letter is endorsed by the student's university.
- **Pressure consumers with threats of losing financial aid opportunities:** The Bureau alleges that the company pressures consumers to

enroll and pay for services by creating a false sense of urgency and using fake deadlines and deceptive statements. The company allegedly tells consumers that unless they send their application and pay a fee by a specified deadline, consumers will lose their opportunity to receive student financial aid, when in reality their deadlines are meaningless.

Through this lawsuit, the Bureau is seeking to stop the unlawful practices of Global Financial Support, Inc., Student Financial Resource Center, College Financial Advisory, and Armond Aria that are alleged in the complaint. The Bureau has also requested that the court order the defendants to provide restitution to harmed consumers and to pay penalties for their illegal conduct.

The Bureau filed the lawsuit in the U.S. Federal Court for the Southern District of California. The complaint is not a finding or ruling that the defendants have actually violated the law.

The CFPB's complaint can be found

at: http://files.consumerfinance.gov/f/201510_cfpb_complaint-for-permanent-injunction-and-other-relief-college-financial-advisory.pdf

More information regarding the Bureau's work on behalf of students is available at: www.consumerfinance.gov/students

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