The Whiz Kid's Scam Guide: For-Profit Colleges

The Teen who Refinanced his Mother's House and Car at 14

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ISBN:

**Published by
The Educational Publisher Inc.
Biblio Publishing
BiblioPublishing.com**

About the Author

With an Indian background, **Danny Singh** was the first in his family to be born and raised in Orlando, Florida; by his mother and grandparents. Danny's mother, Rita, purchased her own house in 2001, moved in with Danny. She began working longer hours at two jobs, so she could manage all the expenses. Due to the limited availability of Rita, Danny could not be fully dependent upon her.

For this reason, in 2003, Rita added Danny, as an authorized user, on her account and gave Danny his first credit card, at the age of 11; thus beginning his financial journey. Danny knew very little about credit cards and only used his credit card; to purchase food, supplies for school, necessities he needed, and gifts for his mom; during his younger years. He would always make sure his credit card was with him in his pocket. Danny admits to purchasing items he always desired, such as, Yu-Gi-Oh Cards, movies, comic books, and candy bars at the gas station, and items kids would want. He loved the spending power of the credit card.

Unexpectedly, Rita started becoming increasingly busy on her jobs. She began calling Danny; asking him to open the mail and make sure the credit card bill was getting paid. She expressed; if the credit card bill was paid late, it would ruin her credit. Danny did not know what credit was, but he did not want to see his mother stress. While handling his academic responsibilities; he maintained her credit card, by signing online and using her checking account. As he began reading all of his mother's mail, although he could not understand everything; interest started provoking him as he began getting involved with other financial aspects of the household. Danny began reading the terms and conditions of the credit cards and the fine print, on the bills. This led him into reading more about credit on the Internet. He started asking his mother, grandfather, or the customer service credit managers; questions or misconceptions he had about credit.

Danny began wanting to handle the utility bills, mortgage, insurance, other credit cards (he was not using), and any other bill that his mother was expected to pay. Danny wanted his mother to give him full authorization, to all the companies; so they would release any account information to him, if needed. With this type of authorization, he would be permitted to make account changes, if needed, when calling customer service. Danny's mother was skeptical, at first, but trusted Danny; given the fact that he was never late on paying the credit card he was using.

Rita added Danny to all her accounts. They were discrete; about Danny's financial life. Danny has had many financial successes including: getting the annual fees removed from several of his mother's credit cards, refinancing the mortgage and car, getting over $1300 in interest refunded from a credit card company, having interest rates reduced on all loans, increasing the credit limits on accounts so his mother's credit scores could increase, and ensuring that no deposit accounts were becoming negative; at just 14 years of age.

Danny managed to get her car and house insurance costs reduced; while maintaining the same coverage. He removed a delinquency from his grandmother's credit report; which caused his grandmother to be denied credit. Danny was able to get his grandmother's credit application approved. When Rita's bank account information was stolen and numerous fraudulent charges occurred; Danny was able to get all the charges refunded. He also reported the phony business, to the Better Business Bureau and Complaint Board; so other consumers would not be scammed. Seminole County commissioner, Bob Dallari; Florida House District 33 representative, Jason Brodeur; Texas governor, Rick Perry; First Lady Anita Perry, Senator Marco Rubio, and several news stations recognized Danny; referring to him as a "financial whiz kid." In 2011, Danny graduated with honors from the International Baccalaureate program of University High School.

Danny has developed about ten years of financial experience, with many different financial institutions managing all the financial aspects of his mother's house and has never been late, even by a day, on several credit cards or any bill. Proudly, Danny is part of the Art & Phyllis Grindle Honors Institute, at the Seminole State College in Florida. Danny officially started a non-profit and independent credit-consulting agency entitled "Students' Finance Success." The mission of his agency is to encourage consumers to build and maintain good credit. For this reason, Danny has been doing financial seminars trying to help students effectively repay their student loans and maintain excellent credit while saving the maximum amount of money for retirement and other financial goals. Besides students, he has been helping other consumers save their houses from foreclosures, cars from repossessions, getting fees refunded, and teaching them to avoid dangerous loans such as payday loans.

In 2013, Danny Singh proudly graduated with his Bachelor of Science in Business and Information Management with honors. Danny is working towards earning the MBA and Ph.D., in Management, from the University of Central Florida. By doing financial seminars, running a financial tips web site (www.facebook.com/ studentsfinance), and his independent and non-profit credit advising agency; Danny encourages others that bankruptcy, debt settlements, being late, or not paying the bills are never solutions and success can only be achieved, with a powerful credit history. Danny hopes to come back to Seminole State College as a professor and continue sharing his financial passion with students. Helping others is what makes Danny's passion grow; so please contact him, using the Face Book page, if you need financial help.

Endorsements

“Danny has demonstrated exceptional finance and accounting abilities and his accomplishments are impressive- especially considering his young age. His training has been invaluable. I am pleased to commend his excellence.”
-Rick Perry, Governor of Texas and First Lady Anita Perry

“I can say without reservation that Danny is a young man of impeccable character. Danny has taken a strong stand for his family as he began controlling the family finances. He is truly a unique individual who has had extremely different priorities.”
-Jason Brodeur, Florida State Representative, District 33

“Danny’s extensive knowledge of credit and the banking industry that he shared with me greatly impressed me considering his young age. His financial talents are rare and he is with no doubt a very gifted individual with a bright future ahead.”
-Bob Dallari, Seminole County Commissioner, District 1

"Danny is brimming with knowledge and experience in finances that are beyond his years. He has an almost giddy enthusiasm for various topics in finance, which paired with his support of others to avoid or recover from common financial pitfalls, is refreshing and inspiring. He holds much promise as a contributor to the marketplace."
-Dr. Marcia Roman, Vice President of Student Affairs at Seminole State College of Florida

“Paying the bills and balancing a checkbook--all the task and responsibilities of being an adult. But one mom said she handed it all over to her son at just 11 years old.”
-Central Florida News 13

“Danny was a natural, a finance whiz kid. Soon, he was spending time reading the small print on each of his mom's

credit card statements and every bill that came through. He started refinancing the ways banks work, how credit card companies calculate interest and what makes credit good."
-East Orlando Sun

"Growing up Danny wanted to be a doctor. But that changed, the moment his mom gave him a new chore around the house. One that saved her thousands of dollars, and helped her son find a new path in life."
-Dallas/Fort Worth WFAA-TV

"Danny accomplished the feat by negotiating with Bank of America was he was just 14 years old!"
-Fox 35 News

"Feeling frustrated over finances? Need help managing a student loan? The Financial Whiz Kid may be able to help."
-Seminole Chronicle

"You may have heard of Danny "Financial Whiz Kid" Singh. At the age of 11, the Orlando boy took over his mom's finances. By the age of 14, he had refinanced their home mortgage, persuaded banks to remove annual fees from his mom's credit cards and negotiated more than $1300 in refunds on interest and fees for her. His financial savvy attracted the attention of print and electronic media – and fellow high school students."
-Seminole State College of Florida (Formerly, Seminole Community College)

Are You Being Scammed?

Get a Professional and Experienced Outlook
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Note to Reader (Disclaimer)

Some of the information that I have published is based on observations, experiences, and personal research. However, it also may be influenced by personal thoughts. I do not support for-profit colleges and advocate that all students attend a community college or non-profit college. If for whatever reason, a student needs to attend an online college then he or she should consider attending a non-profit and regionally accredited online school. Examples of legitimate and non-profit educational facilities can include Liberty University, Excelsior, Charter Oak State College, Western Governors University, Nova Southeastern University, Saint Leo University, and others.

None of the information I published is meant to insult any school or student but is ultimately meant to protect them from massive debt and worthless degrees. I use my background in finance, education, and business to support some of my comments regarding the for-profit colleges. There may be unique situations with which I am unfamiliar and require for students to attend a for-profit college. However, I caution these students to understand all the cons of attending a for-profit college that I discuss in this publication before making the commitment and getting into debt. I do not support any student getting into a large amount of student loan debt. This is because there are not enough jobs in society for everyone. I am aware there are some individuals who support for-profit colleges. However, as a personal opinion, it is unlikely they will have an easy time paying the high tuition and earning a decent paying job especially if the for-profit college is not regionally accredited. I do not believe education is a business but a benefit to society.

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Profits Support the Nemours Children's Hospital in Orlando, Florida

The student loan debt is over 1 trillion dollars because an increasing number of students are going to college in the hopes of later finding a good paying job. For this reason, students feel comfortable accepting loans thinking the return they will receive through employment will offset the debts. The rough economic conditions are proving otherwise because the number of students paying late on their loans is exceeding the number of students graduating from college. As evidence, the student loan default rates have doubled and there are not enough jobs for everyone. The price of tuition is increasing as the overall amount of financial aid is decreasing and student loans still cannot be eliminated with bankruptcy. A large majority of students going back to school are non-traditional meaning they are single parents, working adults, veterans, ex-convicts, students with disabilities, or students who did not start college after high school. The growth of the non-traditional students is causing the growth of the for-profit colleges such as the Westwood College, ITT Tech, Everest University, and other schools similar to them. These schools are different from the non-profit schools such as the University of Central Florida, Seminole State College, Stetson University, and Florida State University because they are operated by a company who funds them and gets returns through the tuition paid by students.

The for-profit colleges have very expensive tuition compared to the non-profit colleges. They claim they can provide a high quality education to the non-traditional students who may struggle to academically succeed in a traditional college setting- But are for-profit colleges everything they make themselves out to be? Research shows 90% of the money made by for-profit colleges come from the financial aid granted to students by the government. The majority of students paying late on their loans are for-profit college students. Coincidentally, the majority of for-profit colleges have extremely low graduation rates. Half of the students who attend a for-profit college do not graduate with a degree or diploma but only with debt. A growing number of peculiar cases are developing with the for-profit college industry involving aggressive recruitment tactics, the creation of fake transcripts, creation of fake visas for students, instructors not having advanced degrees, fake accreditation, and how a dog was able to earn the MBA.

Let the 20-year-old traditional, non-traditional, and community college "financial whiz kid" student, Danny Singh, share with you the business secrets behind the for-profit colleges, how students can protect themselves from being scammed, and better alternatives to for-profit colleges. Singh is the teenager who took over his mother's finances at age 11 and refinanced her house and car at age 14. Singh has been training students to repay their loans in an effective manner and felt the need to publish this book because for-profit colleges deceived many of his clients. Please share the information within this book.

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What is a For-Profit College?

A for-profit college is a private school that is operated by a third party company, organization, or firm and their executives, stock shareholders, and stakeholders invest money into the school hoping to get a return through the tuition paid by students. It is possible for a private equity firm to operate a for-profit college. In simplest terms, equity is money that a business accumulates by selling stock to individuals. For-profit colleges are sometimes called a charter school or a proprietary college. For-profit colleges function as a business in the private sector and do not get tax subsidies as do public colleges. For this reason, the for-profit colleges' classes are often very expensive compared to the tuition costs of non-profit private and public colleges. Many students who attend a for-profit college have to take out student loans so they can afford to pay the tuition. According to a CBS news segment entitled "For-Profit Colleges Under Fire," about 1.8 million students attend for-profit colleges. The group of 1.8 million students is about 10% of the college student population but what is odd is that they receive 23% (23.9 billion dollars) of the financial aid granted by the government. The financial aid money comes from taxpayer dollars. Most for-profit colleges allow for students to do the coursework online. However, there are for-profit colleges such as the University of Phoenix, that do offer both online and campus classes. The times of the campus classes are usually during the nighttime and such makes it convenient for working adults.

Example of a For-Profit College

The Apollo Group funds and operates the University of Phoenix. If the third party company that operates the for-profit college goes out of business then the school may get shut down unless another organization purchases them. If the school gets shut down then the degrees and/or credits earned by the students may be considered worthless. If the Apollo Group went out of business and another company did not purchase the University of Phoenix then the school may get shut down.

For-Profit Colleges Shut Down without Notice

Small for-profit colleges have been shut down in the past and the students were left with debt as mentioned in the article entitled "*Hundreds Of Students Left In Cold As BCTI Closes Up Shop*." The Business Career Training Institute was a for-profit college and went out of business without informing students of their closure ahead of time. They still collected the tuition paid by students. The U.S. Department of Education and State Workforce Training departments had to get involved to help students get back their tuition money. It is very unlikely BCTI would have refunded the students back their money had the two departments not got involved with the case. Truthfully, no legitimate school should shut down and leave the students without any notice especially after collecting their tuition money.

BCTI had been in business until 1986. This suggests for-profit colleges that have lasted for a long time are still capable of scamming students by going out of business at any time and not compensating the students. Some for-profit colleges lure students into joining them by claiming they have been in business for a long time and this gives the impression to the students that their education quality is excellent. Therefore, it is worth paying high tuition to the college. In addition, graduates of the for-profit college that was shut down may struggle to earn a job because it is possible some employers may not respect the degree. It is likely the graduates will get jobs that they may have earned without the degree or certificates and the debt they accumulated from the closed for-profit college.

Source:
http://www.komonews.com/news/archive/4146841.html

Another for-profit college similar to BCTI that was shut down is the University of Northern Virginia. The Department of Education shut them down. This is because the University of Northern Virginia was somehow granting fake visas to students in India. Most of the students at the University of Northern Virginia were from India and they were paying high tuition. Personally, it raises concern that the University of Northern Virginia had been operating for 15 years, they had no accreditation, and they had failed four tax audits by the Internal Revenue Services (IRS) but yet the number of students who were enrolling at the college was growing almost every year. The school had been criticized about not hiring "qualified faculty" or not having "appropriate curriculum content." It is likely that other for-profit colleges have weak curriculums. Faculty who do not have advanced degrees may be less educated than the students whom they are teaching and this can support why some for-profit college students are uneducated despite earning the degrees. Some for-profit colleges may be purposely hiring instructors who do not have advanced degrees because the for-profit colleges will not have to pay them a large salary and can keep more of the tuition money paid by students as profit. There is nothing stopping the unaccredited for-profit colleges from doing so. Unfortunately, there are a growing number of unaccredited for-profit colleges in the world and it would be difficult to monitor each of them.

Source:
http://www.washingtonpost.com/blogs/local/wp/2013/07/23/the-university-of-northern-virginia-is-ordered-to-close-in-annandale-after-15-years/

***Golden Rule: Before attending any college or university, students must always verify with the Department of Education or Southern Association of Schools and Colleges (SACS) by calling, emailing, or writing to them that the school is regionally accredited. SACS may consult the student to call a different accrediting agency depending upon their location. A student should never attend a school that is only nationally accredited or has no accreditation.

Personal Experience Helping Consumers

I have had several consumers contact me asking for help because they have almost $100,000 or more of student loan debt. They are stressed because they are struggling to find a job, they have a family to support, and the connection I found between my clients is that they all attended a for-profit college. I felt so helpless inside when I had to tell the for-profit college graduates that they have to spend years doing nothing but repaying debt. Many of my clients claimed the schools did not give them the proper degrees or certificates and thus, they were deceived. I told the students to file complaints with the Better Business Bureau (BBB). They later told me that the BBB could do nothing to help them. In my books and at my financial seminars, I have been encouraging students to avoid attending for-profit colleges. Unfortunately, there will always be students who attend for-profit colleges out of ignorance.

National Accreditation versus Regional Accreditation

Some of the for-profit colleges are not regionally accredited such as the Full Sail University, ITT Tech, and Anthem College. These schools are only "nationally accredited." This means that in most cases, their credits will not transfer over to regular and non-profit universities and colleges if students choose to pursue more degrees, certificates, or attend graduate school. For-profit colleges lure students into joining them because some of them claim they are nationally accredited. This type of accreditation means the credits earned at the nationally accredited college will usually only transfer over to other for-profit nationally accredited colleges. There are some non-profit schools that are only nationally accredited such as City College and Jones College and they are both located in Florida. Although these schools are non-profit, they are not legitimate because they lack regional accreditation.

Many students do not understand the difference between regional accreditation and national accreditation. Regional accreditation is the highest form of authentic academic accreditation that is granted to a school for