Financial Education
Know Before You Owe

WHAT IF SPENDING ALL
OUR MONEY

MEANS WE HAVE NO
MONEY LEFT?

Holly Wright
UM Financial Education Program Manager
Federal Student Aid Process
Financial Aid Package
Student Loans
Personal Finance
Budgeting
Credit Report
Manage Checking/Savings Accounts
## Budgeting

- Estimate the following items from your most recent monthly checking statement:

### Items Budgeted By Semester

<table>
<thead>
<tr>
<th>Income</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans:</td>
<td>Tuition:</td>
</tr>
<tr>
<td>Grants/Fee Waivers:</td>
<td>Room &amp; Board:</td>
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<tr>
<td>Scholarships:</td>
<td>Textbooks:</td>
</tr>
<tr>
<td>Total semester income</td>
<td>Total semester expenses =</td>
</tr>
</tbody>
</table>

Amount you need to work into your monthly budget: $______________ (Line A)

Take Line A and divided by 4: [ ]

If the number is positive place in Line B below OR
If the number is negative place in Line C below.

### Monthly Budget

<table>
<thead>
<tr>
<th>Income</th>
<th>Expenses</th>
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</thead>
<tbody>
<tr>
<td>Salary/ Paycheck:</td>
<td>Rent: $___________</td>
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<tr>
<td>Work Study:</td>
<td>Utilities: $___________</td>
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<tr>
<td>Parent Contribution:</td>
<td>Cell Phone: $___________</td>
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<tr>
<td>Other:</td>
<td>Internet: $___________</td>
</tr>
</tbody>
</table>

**TOTAL INCOME:** $______________

**TOTAL EXPENSES:** $______________

**LIST ONE FINANCIAL GOAL HERE:**
<table>
<thead>
<tr>
<th>BUDGET ITEM</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
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</table>
Powerful features, simplified.

See all your accounts in one place.

See all your balances and transactions together, on the web or your phone. Mint automatically pulls all your financial information into one place, so you can finally get the entire picture. Learn more

Stay up-to-date on your money.

Mint automatically updates and categorizes your information, and
BUDGETING

- Compare wants vs. needs
- Make savings part of your "bills"
- Start paying towards your loans WHILE IN SCHOOL!
- Even if it's only $5 a month. Get in the habit of making payments.
PAYING FOR COLLEGE

Scholarships
Grants
Work Study
FAFSA

The FAFSA has changed this year!!

- The 1718 FAFSA opened on October 1, 2016 at www.fafsa.ed.gov
- You will use your 2015 tax information for the 1718 FAFSA
- You need to submit your 1718 FAFSA before November 15, 2016 in order to be in the Priority Group for UM
You and one parent need an FSA ID

www.fsaid.ed.gov
Applying is faster and easier with the IRS DRT!

Based on your response, we recommend that you transfer your information from the IRS into this FAFSA. The IRS Data Retrieval Tool allows users to link to the IRS Web site and securely transfer original IRS tax return information into their FAFSA.

If you use the IRS DRT, you will not have to provide additional IRS documentation later to qualify for federal student aid.
Grants

Based on Financial Need

- Most Common: Pell Grant
- Max Pell Grant is
  - $5,815 (for the 16-17 year)
- Can receive it for up to 6 years
Work-Study
Earn-as-you-go Aid

- Work a job to earn aid
- This aid comes as a bi-weekly paycheck
- Many different departments and locations
  - UDASH Bus Driver
  - Office Assistant for non-profit
  - Research Aide for Avian Study
  - After-school Program Assistant
Scholarships

Applications typically open in October/November

- **Financial Aid Office:** [www.umt.edu/finaid](http://www.umt.edu/finaid)
- **UM Scholarship Portal:** [www.umt.edu/finaid/scholarships/um-scholarship-portal](http://www.umt.edu/finaid/scholarships/um-scholarship-portal)
- **Your Department:** talk to staff at front desk or see your department website
- **College Goal:** [www.surveymonkey.com/r/ReachHigherMontanaCollegeGoal](http://www.surveymonkey.com/r/ReachHigherMontanaCollegeGoal)
Student Loans

Private, Federal and Institutional
LOANS

Private Student Loans

- Issued by a private lender (not the government) to the student.
- Most require credit check, cosigner, occupation.
- May have higher interest rates than federal loans.
- Limited repayment options, loan forgiveness, deferment, etc.
- Cannot be consolidated with Federal or Institutional loans.
Types of Federal Loans

- Direct Subsidized Loan, 3.76%
- Federal Perkins Loan, 5%
- Direct Unsubsidized Loan, 3.76%
- Direct Parent PLUS Loan, 6.31%
You Can Accept A Portion of Your Loan

You do not have to accept the total amount of a loan. You can always accept a portion of it.
$20,000?  $30,000?  $50,000?

Make sure your borrowing patterns will total this amount and no more by the time you graduate.

Go to a Loan Calculator to see what your payments would be BEFORE you accept a loan.
There Are Caps To What You Can Borrow

Dependent Undergraduates: $31,000
Independent Undergraduates: $57,500
Graduate or Professional Students: $138,500
Medical Graduate Students: $224,000
You should not spend your student loan money on TVs, vacations, pets, snowmobile, etc..
You earn your aid by attending class. Stop attending class and you will have to pay your aid back.
There are four main servicers used by the Department of Education for Direct Loans:

- fedloan SM
- nelnet
- NAVIENT SM
- SallieMae
LOANS
Repayment Plans

- Standard (fixed payments, 10 yrs)
- Graduated (low payments at first, then increase over 10 yrs)
- Extended Standard (fixed payments, up to 25 yrs)
- Extended Graduated (low payments at first, then increase; up to 25 yrs)
- Revised Pay As You Earn (payments 10% of discretionary income)
- Pay As You Earn (payments 10% of discretionary income)
- Income-Based Repayment, IBR (payments 15% of discretionary income)
- Income-Contingent Repayment, ICR (payments based on gross income, family size, total amount of loans)
- Income-Sensitive Repayment (payments based on annual income)

I want to pay off my loans in a set number of years

I can only make payments that are based on how much money I make
LOANS
Repayment Plans - Parent PLUS

- Standard (fixed payments, 10 yrs)
- Graduated (low payments at first, then increase over 10 yrs)
- Extended Standard (fixed payments, up to 25 yrs)
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I want to pay off my loans in a set number of years
I can only make payments that are based on how much money I make
STUDENT LOAN DEFAULT

- Last payment is over 270 days late
  - 24% collection agency cost
  - Wages garnished at 15%
  - SSI and SSDI benefits are garnished
  - Federal and state tax refund kept
  - Goes on your credit report

- Never ignore mail sent to you from your loan servicer.
Once You Graduate

Beware of Third-Party Companies
Credit: a contractual agreement in which a borrower receives something of value now and agrees to repay the lender at a later date.

Types of credit:

- Credit Cards
- Loans: secured and unsecured, federal and private student loans
CREDIT CARDS

- Easy to overuse, easy to have too many, can incur many costly fines

- What should you look for:
  - What is the interest rate?
  - What is the annual fee?
  - What is the late fee?
  - What is the over-the-limit fee?
  - Do they offer a grace period?
Get the Cash BACK credit card¹ and get a head start on paying down the balances you transferred by using your card for new purchases.

**LOW INTRO RATE**
- 0% Intro APR until August 1, 2016 on purchases and transferred balances (not cash advances); the balance transfer fee is 3% with a minimum of $5
- Respond today to enjoy the full 15 months of interest savings
- After the introductory period, keep saving with a variable APR of 24.99%
- No limits

**5% CASH BACK**
- Earn 5% Cash Back on up to $1,500 in combined purchases in bonus categories that change every quarter² — so your extra cash back can add up fast
- Enjoy new categories every 3 months like Gas stations, Restaurants and Amazon.com
- Activating each quarter is easy and free; see the calendar on page 2 for a list of 2015 categories

**1% UNLIMITED CASH BACK**
- Earn 1% Cash Back on everything else you buy³
- Get a full 1% on every dollar spent on purchases — there is no limit to how much cash back you can earn
EASY TO REDEEM  Chase Freedom makes it easy to redeem the cash back you've earned. Redemptions start at just $20 or you can save up for even more cash back. Or choose a statement credit to pay for a purchase you've already made on your card. There's no expiration on your rewards as long as your account is open, so you can redeem when you want.

EARN EXTRA CASH BACK  Add an authorized user to your account when you respond* and begin earning cash back on all their purchases every day, as well.

RESPOND TODAY  Visit GetChaseFreedom.com, call 1-800-804-8516, or mail the certificate below by June 1, 2015.

Sincerely,

Phil Christian
General Manager
Chase Freedom

15 SECOND DECISION!
VISIT GETCHASEFREEDOM.COM
INVITATION NUMBER: 4263 5197 8157

RESPOND BY: June 1, 2015
CALL 1-800-804-8516
MAIL YOUR CERTIFICATE

2015 CASH BACK CALENDAR

<table>
<thead>
<tr>
<th>January - March</th>
<th>April - June</th>
<th>July - September</th>
<th>October - December</th>
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<tr>
<td>GROCERY STORES** not including Walmart® and Target® purchases</td>
<td>RESTAURANTS</td>
<td>GAS STATIONS and more this summer</td>
<td>AMAZON.COM and more this fall!</td>
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<td>MOVIE THEATERS</td>
<td>BED BATH &amp; BEYOND®</td>
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<tr>
<td>STARBUCKS® STORES***</td>
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<td>OVERSTOCK.COM™</td>
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Activation period closed

Activate each quarter to earn 5% cash back on up to $1,500 in combined purchases in that quarter's bonus categories. Additional categories or merchants added each quarter. See chase.com/freedom for more details and exclusions on 5% categories.
<table>
<thead>
<tr>
<th><strong>Pricing Information</strong></th>
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<tbody>
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<td><strong>Interest Rates and Interest Charges</strong></td>
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<td><strong>Purchase Annual Percentage Rate (APR)</strong></td>
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<td><strong>Balance Transfer APR</strong></td>
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<td><strong>Cash Advance APR</strong></td>
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<td><strong>Overdraft Advance APR</strong></td>
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<td><strong>Penalty APR and When It Applies</strong></td>
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