



Achieve Financial Success

Make Your Education and Financial Goals a Reality



All About Your Success

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Financial success is a lifelong process. The decisions and actions you make now can turn into habits that will help you achieve your education and financial goals.

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Develop a Plan

As a college student you have a lot to think about when it comes to managing your personal finances, but now is the perfect time to take charge of your money. Create a budget for life while you're in college and stick with it to manage your money during school and prepare for life after college.

Budget: A Plan for Managing Your Money

A budget is a tool for controlling your finances. Use it to track your cash flow by recording how much money you have coming in each month and where that money goes. No matter how much money you have, creating a budget is the first step toward smart spending and saving.

A budget can help you:

- ▶ Stay out of financial trouble.
- ▶ Know if you're spending too much money on certain things.
- ▶ Avoid impulse spending.
- ▶ Achieve financial and savings goals.
- ▶ Prepare for emergency situations.
- ▶ Manage your student loan obligations.

Create a Budget

Improve your spending and saving habits by following these steps to create a budget.

- ▶ **Identify your income.** List all your income sources, including scholarships, grants and on- or off-campus jobs.
- ▶ **Track your expenses.** Determine how you spend your money now. Record all your monthly expenses, like housing, groceries, car payment and entertainment plus a monthly amount for other bills such as tuition, books and car registration.
- ▶ **Check out the result.** Add up your monthly income. Then add up your monthly expenses. Subtract your total expenses from your total income. If you have a positive outcome, you may want to apply extra money to your debts and ramp up your savings plan. If you have a negative result, your top priority should be to cut back on your spending or increase your income.

Live Within Your Means

To cut back expenses, start by thinking about how you distinguish between needs and wants. A need is essential for survival, such as food and shelter. A want is something you could live without, like concert tickets.



Maintain Your Budget

Once you have your budget created, you still have work to do. Review and adjust your budget on a regular basis to make sure it continues to work for you.

Set Financial Goals

When it comes to taking control of your money, it's important, as well as motivating, to measure your progress. Set financial goals to help you create and stick to your budget and monitor your spending. Think about what you want your spending plan to accomplish, both now and in the future. Take some time to set realistic financial goals. Get started with these tips:

- ▶ Identify and write down specific goals.
- ▶ Set a deadline for accomplishing each goal.
- ▶ Create a plan of action to achieve your goals.
- ▶ Take action to realize your goals.
- ▶ Don't give up. If you discover that a goal is unrealistic, adjust it or your plan of action.

Short-Term and Long-Term Goals
Short-term goals could include saving to buy a new outfit or computer. Long-term goals could include saving for a car or paying off your student loans early.





Understand Financial Aid

If you meet certain qualifications, financial aid is available to assist with college expenses.

Fill Out the FAFSA

To qualify for financial aid, you must complete the Free Application for Federal Student Aid (FAFSA) each year you plan to attend school. The FAFSA is a free form that may be completed without professional assistance via paper or electronic forms provided by the U.S. Department of Education at www.fafsa.gov. Some types of aid are disbursed on a first-come, first-served basis, so make sure you apply as soon after Jan. 1 as possible each year.

Your college or university will use the results of your FAFSA to determine your financial aid eligibility and will then send you an award letter that outlines the aid you're qualified to receive.

Types of Financial Aid

Financial aid can come in the form of:

- ▶ **Gift aid.** Grants and scholarships are offered by various entities, including state and federal governments, colleges and universities, based on need, merit or other qualifications. These types of aid must not be repaid, so apply early and seek out all possible opportunities.
- ▶ **Self-help aid.** You may qualify for a work-study program that will allow you to earn money at a part-time job, often on or near campus. If you don't qualify for work-study, consider other employment opportunities.
- ▶ **Student loans.** All student loans must be repaid, with interest. Generally, federal student loans offer better terms than private student loans, so exhaust those options first.
 - **Subsidized Federal Direct Loans.** You must have financial need to qualify, and the federal government pays interest for undergraduate students while enrolled at least half time and during deferment periods.
 - **Unsubsidized Federal Direct Loans.** You are not required to demonstrate financial need to qualify. You are responsible for all interest on these loans starting from the date they are first disbursed.
 - **Federal Direct PLUS Loans.** Parents of dependent undergraduate students enrolled at least half time are eligible for these loans. As the borrowers, parents are responsible for all interest on these loans starting from the date they are first disbursed.

Make Interest Payments to Save

When you defer student loan payments, interest may accrue and may be added to your loan; therefore, deferring payments for an extended period of time, such as when you're attending school, may substantially increase your loan balance. You should make payments that at least cover your accrued interest to avoid increasing your loan balance. Contact your lender or servicer about receiving interest accrual statements so you can better monitor the interest as it accrues.



Be a Responsible Borrower

Your financial aid award letter may indicate the maximum amount of federal student loans you are eligible to borrow. Before accepting your financial aid package, keep in mind you are not required to borrow the entire amount of student loans awarded. Borrow only what you need.

Use Student Loans for Education Costs Only

Don't use student loans — or credit cards — to support a lifestyle. Every dollar you borrow now must be repaid with interest and other fees.

Student Loan Game Plan

Student Loan Game Plan helps you understand how borrowing for college can affect your future finances. Go to www.studentloan.org/gameplan to see valuable information, including:

- ▶ Actual salaries earned by people who graduated with your major.
- ▶ Suggested maximum borrowing limits based on that salary information.
- ▶ Ways to reduce your need for student loans.
- ▶ The true story of a borrower who struggles to repay student loans.

Stay Organized

You are responsible for making student loan payments even if you don't receive a monthly bill. To make sure you're on top of your commitments:

- ▶ Track your student loan debt each year.
- ▶ Monitor your federal student loan activity through the National Student Loan Data System at www.NSLDS.ed.gov.
- ▶ Keep all your student loan information in one safe place.
- ▶ Contact your lender or servicer with questions or concerns.
- ▶ Make sure your lender or servicer knows how to contact you by mail and phone.





Take Charge of Credit Cards

Avoid the credit card debt trap by using this information on a daily basis.

Decide If You're Ready for a Credit Card

Before applying for a credit card, ask yourself if you really need one. Do you have the self-control to handle a credit card responsibly, and will you be able to pay off your balance in full each month? If you're unable to pay off the balance in full, can you afford interest charges and other fees that may be applied to your account?

Consider Your Other Debt

Credit card charges affect your overall level of debt. Before you rely on credit cards to pay your expenses, think about:

- ▶ How much do you owe in student loans? Calculate estimated loan amounts for the rest of your college career with Student Loan Game Plan, available at www.studentloan.org/gameplan.
- ▶ What additional payments and debts will you have when you graduate? These include house and car payments, food, utilities, entertainment and other costs.
- ▶ What can you afford now to pay toward credit card debt? What will you be able to afford after graduation?
- ▶ How can you avoid using credit cards to pay for daily expenses?

Weigh the Advantages and Disadvantages

Consider the consequences — both good and bad — of having a credit card.

Advantages	Disadvantages
Credit cards are a convenient way to make purchases.	Credit cards are actually high-interest loans that can take years to pay off if not handled responsibly.
They can come in handy in emergency situations.	If the credit card balance is not paid in full each month, interest charges will be added to the amount actually charged.
Handled properly, credit cards can help you establish a positive credit history.	Misuse of credit cards can damage your credit history for many years.



Every Decision Counts

If you have a credit card, don't use it to support a lifestyle you can't afford. Remember that the decisions you make while in college will impact your life later. Every dollar you borrow now through the use of a credit card must be repaid. Interest and other fees will be added if your full balance is not repaid immediately.

Credit Card Alternatives

Credit cards offer a convenient way to make purchases, but other options are available. Instead of paying with a credit card, consider alternatives that provide immediate payment.

- ▶ Prepaid credit cards require an upfront deposit to make purchases with the card.
- ▶ ATM/debit cards offer 24-hour access to money in your bank account through automated teller machines (ATMs) or let you make purchases with money from your bank account.
- ▶ Cash is always an alternative. Saving for cash purchases instead of using a credit card guarantees you won't pay extra in interest charges or fees.

Be a Smart Consumer

If you feel you're prepared to handle the responsibility of a credit card, do your research and shop around. Find the one that's best for you by comparing several credit cards through your bank, online or from the offers you receive in the mail. Before you decide, study the fine print.

- ▶ Look for the lowest annual percentage rate (APR), which is a measurement of the cost of credit, expressed as a yearly interest rate. Credit cards may have different APRs for purchases, cash advances or other transactions. Keep in mind, low introductory APRs may last only a short time before increasing dramatically.
- ▶ Some credit cards offer no or low annual fees or benefits for using the card, such as cash-back rewards or airline miles. Remember, these features are important, but signing up for a credit card to get a free gift or special discount isn't always the best choice.

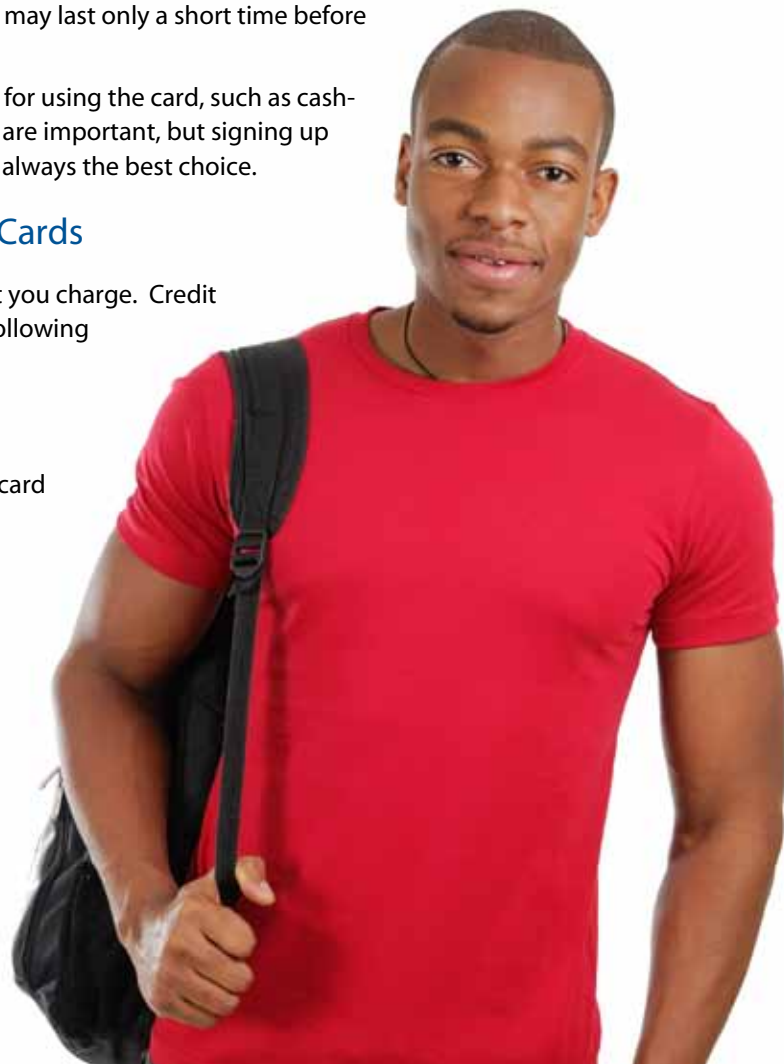
Success Strategies for Managing Your Credit Cards

Every time you use your credit card, you need to pay back what you charge. Credit cards can create financial risk if not handled responsibly. The following strategies will help you manage your credit cards.

Always Pay the Monthly Balance in Full

Each month, you'll receive a billing statement from your credit card company. Although you're only required to make a minimum monthly payment (generally 2% to 4% of your balance) paying your balance in full each month is best.

If you don't pay your bill in full or choose to make only the minimum monthly payment, you'll be charged interest on the remaining balance and it could take a long time to pay off your debt.



Understanding Your Statement

Look at the sample statement below to see how making more than the minimum payment can make a drastic difference in your overall future debt.

ABC Credit Card		xxxx-xxxx-xxxx-1234
New Balance	Minimum Payment	Due Date
\$1,786.00	\$53.00	April 20, 2012
Please Pay This Amount		
Credit Limit: \$2,000.00		Available Credit: \$214.00

Late payment warning: If we do not received your minimum payment by the date listed above, you may have to pay a \$35.00 late fee, and your APRs may be increased up to the Penalty APR of 28.99%.

Minimum payment warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay ...	You will pay off the balance shown on this statement in about ...	And you will end up paying an estimated total of ...
Only the minimum payment	8 years	\$2,785.00
\$62.00	3 years	\$2,232
Your estimated savings if you pay off this balance in 3 years		\$553.00

If you would like information about credit counseling services, call 1-800-xxx-xxxx.

Remember that Credit Cards Are Loans

Before making a purchase with a credit card, ask yourself if you can pay it off quickly. If not, you may pay a lot in interest and fees. Look at the examples below.

	XBox Game	Jeans	Concert Ticket
Initial Cost	\$60	\$30	\$59
Amount of Interest	\$7	\$4	\$7
Annual Credit Card Fee	\$10	\$10	\$10
Total Credit Card Cost	\$77	\$44	\$72
Number of Months to Pay Off Purchase	7	4	7

These examples assume:

- ▶ An annual interest rate of 20.24%.
- ▶ On-time payments. Late payments may be assessed a fee of \$35 per occurrence.
- ▶ An annual card fee of \$10.
- ▶ A minimum monthly interest payment of \$1 on outstanding balances.
- ▶ A minimum monthly payment of \$10.

Use Your Credit Card Wisely

Credit cards allow you to purchase things now and pay later, but you can easily forget how much you've charged. Keep track of how much you owe throughout the month to avoid overspending. Before using your credit card, ask yourself if the purchase is a necessity or if it's something you can live without for now.

Your credit card use may be getting out of control if you:

- ▶ Have maxed out one or more credit cards.
- ▶ Owe more each month than the previous month.
- ▶ Struggle to make your minimum monthly payment.
- ▶ Use credit cards to make payments on other cards.

Know Where to Turn for Help

If you become overwhelmed by credit card debt, get help from your family, credit card company or local nonprofit consumer credit counseling agency. To immediately reduce your debt:

- ▶ Stop using your credit cards, and don't sign up for any new cards.
- ▶ Create a budget and stick to it. Student Loan Game Plan can help you make a budget.
- ▶ Call your credit card company to ask if it will lower your interest rate.
- ▶ Pay off debt with higher interest rates first. But keep making the minimum payment on any other credit cards or loans.





Understand Your Credit

Credit is money you borrow that you promise to repay. You're granted credit when you borrow money from a lender, generally a bank or credit card company. Lenders use information in your credit history to predict how likely it is that you'll repay your debts in the future. How you handle credit affects not only your financial future but other aspects such as job opportunities, housing options and insurance rates.

Learn About Credit Reports

A credit report is a historical record of how you managed credit in the past. Your credit report is unique to you because it contains information about your personal credit history.

Credit reports are maintained by national consumer reporting agencies. The three major agencies are Equifax, Experian and TransUnion; a number of other agencies, such as Innovis, exist. These agencies gather information from lenders, creditors, banks and other businesses and compile the information in a credit report. Each consumer reporting agency creates a credit report about you, so you may have many different credit reports. A typical report includes:

- ▶ **Your personal information**, including your name, current and previous addresses, telephone number, Social Security number, date of birth, and places of current and past employment.
- ▶ **Your payment information**, including specific information about any student loans, credit cards, car loans or other consumer accounts you have. Inactive accounts are included in your credit report, as well as details about your credit limits, loan amounts, current balances, monthly payments, payment history, late or missed payments, and accounts turned over to collection agencies.
- ▶ **A record of inquiries**, which includes all lenders, individuals and businesses that have requested your report within the past one to two years.
- ▶ **Public record information**, such as bankruptcies, foreclosures and tax liens.

Understand Credit Scores

Your credit score is a quick and consistent way for a lender to determine your credit risk based on the information in your credit reports. Generally, if you have a good credit history, you'll have a higher credit score and you'll appear less risky to lenders and creditors. Your credit score changes as the information in your credit report changes.

Reduce the Number of Inquiries in Your Credit Report

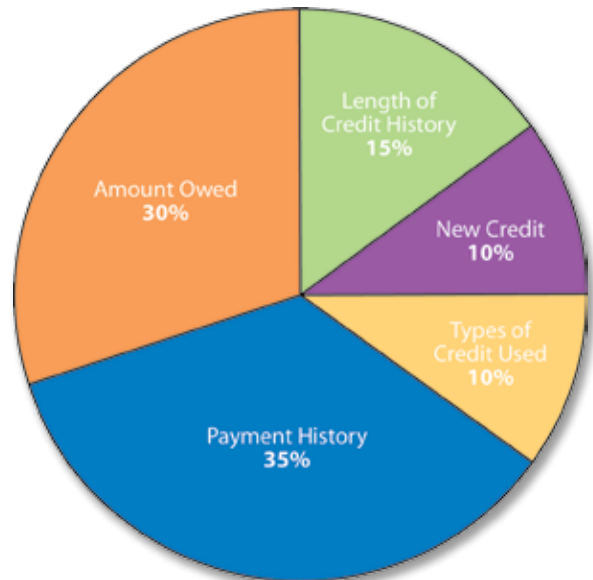
You can request to have your name excluded from lists for preapproved, unsolicited credit and insurance offers. To opt out, call (888) 5-OPT-OUT or go to www.optoutprescreen.com.

How Credit Scores Are Calculated

Credit scores are determined by a complex mathematical model that evaluates the information in your credit report.

- ▶ The most widely used credit score is the FICO score, which is calculated by the Fair Isaac Corporation. FICO scores range from 300 to 850.
- ▶ Your FICO score is a calculation based on your rating in five general categories. This chart shows how each category is weighted in the general population.

Information for this chart was obtained from Fair Isaac Corporation. FICO is a registered trademark of Fair Isaac Corporation.



Know Why Credit Matters

Your credit history affects the terms and conditions offered to you when you apply for credit cards and loans. Good credit typically means you'll be offered lower interest rates, which will save you money. If you have bad credit, you may have to pay a higher interest rate that can make your purchases cost more than they should. You could even be denied for a credit card or loan.

How Your Credit History Really Affects Your Everyday Life

This chart shows examples of how the interest rate you receive for a car loan can affect your monthly payment and the total amount you might spend on a five-year, \$15,000 loan.

	Good Credit History	Average Credit History	Bad Credit History
Amount Borrowed	\$15,000	\$15,000	\$15,000
Interest Rate	7.00%	12.00%	18.00%
Monthly Payment	\$297	\$334	\$381
Total Amount Spent	\$17,821	\$20,020	\$22,854

With a bad credit history, you'll receive a higher interest rate and will pay significantly more for your car. Compared to a loan with a 7.00% interest rate, you'll spend \$84 more each month and more than \$5,000 extra by the time the car is completely paid for with the 18.00% interest rate loan.

That's \$5,000 you could have used to purchase other items or saved for your future. Remember that every blemish in your financial history, as well as every bill paid on time and in full, will affect what you can do in the future.

Build and Maintain a Good Credit Score

Besides paying all your bills on time and paying the full amount due, other strategies to improve your credit history and score include the following:

- ▶ Keep balances low on credit cards. High outstanding debt as a percentage of your credit limits can affect your credit score. Ideally, you should use no more than 10% of your available credit.
- ▶ Don't open new credit cards that you don't need. Opening new accounts can lower your score.
- ▶ Limit the number of credit card accounts you have to one or two. With too many open lines of credit, you may look risky to lenders.
- ▶ Don't close established accounts that show a longer history of managing credit. Closing old accounts may lower your credit score.
- ▶ Remember that closed accounts will remain on your credit report and will be factored into your score for up to seven years.
- ▶ Reestablish your credit history if you've had problems in the past. Open new accounts responsibly and pay them off on time to raise your score over time.
- ▶ Reduce your debt by making extra payments on your loans and credit cards.

Building Credit Without a Credit Card

If you've never had a credit card or loan, you may have difficulty being approved for your first one. However, you can create a nontraditional history to show lenders that you're responsible when it comes to paying bills. Here's how:

- ▶ Save copies of bills you pay, including rent, cell phone, utilities and insurance, and the canceled checks/records of those payments.
- ▶ Request letters of reference from utility companies and landlords. Ask them to include how long you've been a customer and your payment history.
- ▶ Show your bills, payments and letters to lenders to demonstrate your history of paying bills on time each month.

All Your Bills Matter

Your credit history isn't affected only by your use of credit. It may also be impacted by late payments on your cell phone, utilities or other bills. Make sure you pay all your bills on time so your credit isn't damaged.



Understand the Consequences of Bad Credit

Many factors can damage your credit history and make you a higher risk for lenders, insurance companies, employers and landlords. You could:

- ▶ Pay higher interest rates on loans and credit cards.
- ▶ Pay higher deposits for services.
- ▶ Pay higher rates for auto, homeowner's and renter's insurance.
- ▶ Miss out on job opportunities.
- ▶ Lose housing options.
- ▶ Be denied credit completely.

Review Your Credit Reports

The best way to understand your credit history is to review copies of your credit report from each of the three main consumer reporting agencies. You should review your credit reports annually to make certain the information is accurate. If you find errors, contact the consumer reporting agency about your options for making corrections. You may order all three reports at the same time or at different times during a 12-month period.

Request your reports by phone at (877) 322-8228 or online at www.annualcreditreport.com. This phone number and website are the only authorized sources for your free annual credit reports from Equifax, Experian and TransUnion. Other companies offer a similar service but may charge unnecessary fees. Always use caution when giving out personal and financial information.



Prevent Identity Theft

Reviewing your credit reports annually is a great first step toward being alert for identity theft, which is a federal crime that occurs when someone unlawfully uses another individual's personal information. In addition, you should be aware of other steps you can take to protect yourself.

The Impact of Identity Theft

Identity theft is a serious crime that affects millions of people in the United States each year. Criminals often use the stolen information for financial gain, leaving a devastating impact on the financial history of an identity theft victim. Victims often spend a great deal of time and money to repair the damage and restore their good names.

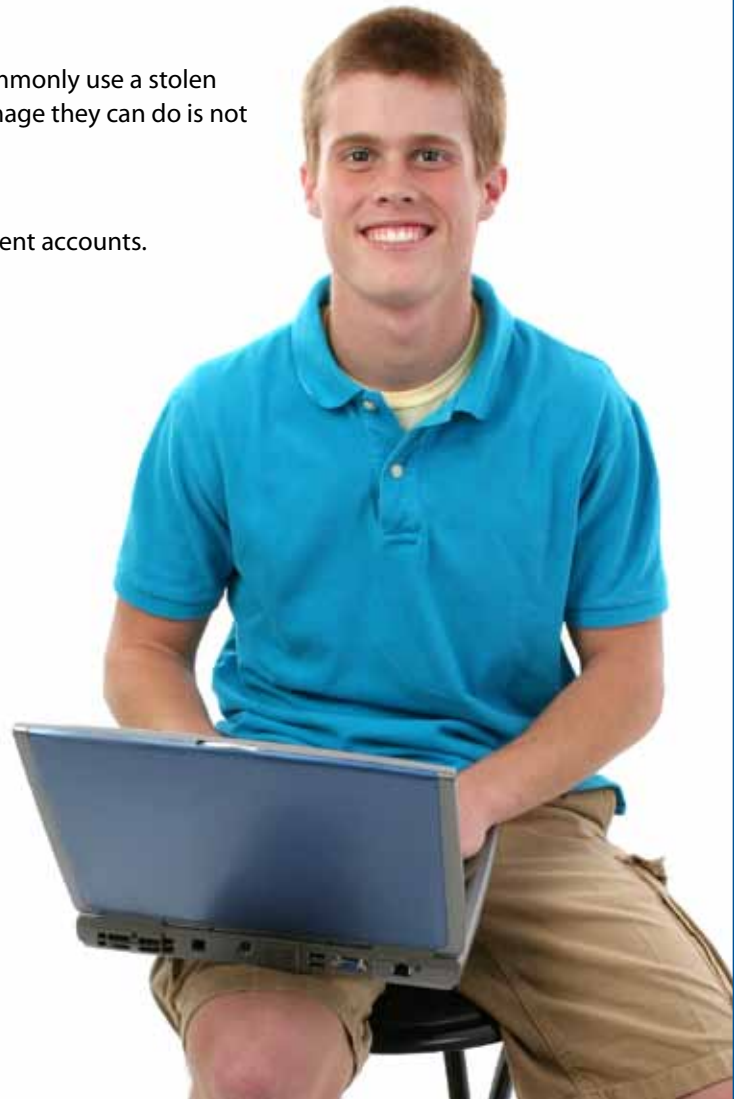
What Criminals Do with Your Information

According to the Federal Trade Commission, criminals most commonly use a stolen identity to open new credit cards in the victim's name. The damage they can do is not limited, though. Criminals may also use your information to:

- ▶ Run up charges on existing credit cards.
- ▶ Authorize electronic funds transfers from bank or retirement accounts.
- ▶ Acquire new loans in your name.
- ▶ Open new bank accounts in your name.
- ▶ Obtain a driver's license or passport with your name and their picture.
- ▶ Sell your information to other criminals.

Make It a Habit

Identity theft is one of the fastest-growing crimes in the United States, and knowing how to protect yourself is an important component of your financial future. Make safeguarding your personal information a daily habit, just as you protect your body by wearing a seat belt every time you get in a car.



Protect Your Information

Criminals can obtain your information in a variety of ways. Though their methods are constantly evolving with new scams and tricks, a few techniques are common. Safeguarding your information is the best way to prevent criminals from misusing your identity. You can dramatically reduce your chances of becoming a victim of identity theft.

A Thief May Get Your Information By ...	Protect Yourself By ...
Taking it from the trash outside your home, work or a place where you do business.	Safeguarding your personal information. <ul style="list-style-type: none"> ▶ Cross-shred documents and mail with your personal information before throwing them away. ▶ Request online bill delivery.
Stealing mail right out of your mailbox.	Securing your incoming and outgoing mail. <ul style="list-style-type: none"> ▶ Use a locking mailbox, remove incoming mail promptly and send mail from official postal mailboxes. ▶ Be aware of calls about accounts you did not open or the arrival of credit cards you did not apply for. ▶ Go to www.optoutprescreen.com or call (888) 5-OPT-OUT to be excluded from offer lists.
Taking your purse or wallet or breaking into your home or car.	Keeping your Social Security card and birth certificate in a secure location.
Accessing your personal data from a place where you do business.	Safeguard your methods of payment. <ul style="list-style-type: none"> ▶ Never share your bank account or credit card information with anyone. ▶ Limit the number of credit cards and debit cards you carry.
Accessing your work or personal computer.	Avoiding use of your Social Security number or its last four digits in computer passwords.
Creating fraudulent emails and websites to trick you into giving out usernames, passwords or other information.	Being vigilant about anything that looks suspicious and use caution on the Web. <ul style="list-style-type: none"> ▶ Get virus protection and Internet security software for your personal and work computers. ▶ Be cautious when responding to emails or giving out personal information online.
Contacting you by telephone and fooling you into giving out personal information.	Registering with the Federal Trade Commission National Do Not Call Registry by calling (888) 382-1222 or going to www.donotcall.gov .

Monitor Your Accounts and Credit History

Minimize any damage by catching identity theft early. You'll spend less time and money fixing the damage.

- ▶ Check your credit card and bank account activity at least once a week.
- ▶ Review your paper bank account and credit card statements each month.
- ▶ Review your free credit reports annually.

Know the Warning Signs

Some common warning signs or suspicious activities may indicate you're an identity theft victim. Be alert if:

- ▶ You notice charges to or withdrawals from your accounts that look unusual or unfamiliar.
- ▶ You receive phone calls from credit card companies, banks or collection agencies demanding payment on accounts you did not open.
- ▶ You stop receiving your regular mail.
- ▶ You apply for a credit card or loan and are denied due to bad credit even though you're confident that you have a good credit history.
- ▶ You did not apply for a credit card that you receive in the mail.

Take Action If You Become a Victim

If you suspect you're a victim of identity theft, take action right away. The amount of fraudulent charges you may be responsible for paying relies in part on how long you wait to report the fraud. You may be responsible for only \$50 per account if you discover the fraud and report it within two days. If you become a victim, take these steps:

1. File a report with your local police department and get a copy of the report. You'll probably need to provide a copy to your banks and credit card companies as well as the consumer reporting agencies.
2. Contact your bank and let them know you suspect identity theft. Ask the bank to notify the check verification services too.
3. Contact your credit card companies to inform them that you suspect you're an identity theft victim.
4. Contact consumer reporting agencies to place a 90-day fraud alert and victim statement in your credit file. After 90 days, you must contact the agencies again if you want a seven-year alert placed in your credit file. You may also place a "freeze" on your credit report, preventing anyone (including yourself) from opening any new lines of credit. Some states allow fees for this service.
5. Order copies of your credit report from each of the national consumer reporting agencies.
6. File a complaint with the Federal Trade Commission. Make sure you fill out an Identity Theft Affidavit and mail it to your banks and credit card companies.
7. Call the Social Security Administration if you suspect that your Social Security number is being misused.

Important Resources

Equifax Credit Bureau
Fraud Hotline
(888) 525-6285
www.equifax.com

Experian Credit Bureau
Fraud Hotline
(888) 397-3742
www.experian.com

TransUnion Credit Bureau
Fraud Hotline
(800) 680-7289
www.transunion.com

Federal Trade Commission
Identity Theft Hotline
(877) 438-4338
www.ftc.gov

Social Security
Administration Fraud
Hotline
(800) 269-0271
www.ssa.gov



Glossary of Financial Terms

Make sure you understand the important terms in the fine print of your credit card and student loan agreements. Below are some of the more common terms with general definitions.

Annual fee — An annual fee may be charged simply for having a credit card, depending on your credit card company.

Balance-transfer fees — These fees may be charged when you transfer a balance from one credit card to another. You may be charged a balance transfer fee from the original card and the new card.

Cash advance fees — These fees are charged when you obtain cash from the ATM by using your credit card. This will usually cost you an additional finance charge of 3% to 5%. The fee may be a flat fee or a percentage of the cash advance.

Credit limit — Your credit limit, or credit line, is the total amount you can charge on your credit card, including purchases, cash advances, balance transfers, fees and finance charges. You may request an increase or decrease in the amount of available credit you have. Your credit card company may charge a fee for complying with this request.

Grace period — A grace period on credit cards is the set amount of time, usually 15 to 30 days, during which you can make a payment without incurring finance charges. In reference to student loans, a grace period is a stretch of time between your leaving school and the date your repayment period begins, usually six months for federal student loans.

FAFSA — The Free Application for Federal Student Aid, or FAFSA, is the first step in the financial aid process. The free form may be completed without professional assistance via paper or electronic forms provided by the U.S. Department of Education at www.fafsa.gov. File your FAFSA as soon after Jan. 1 as possible each year.

Interest — Interest can work two ways. You can earn interest on savings accounts, certificates of deposit (CDs) and other financial vehicles. You also pay interest on debt, like student loans. Often, this interest accumulates on the principal balance, or unpaid portion, of your loans. If you do not make payments that at least cover the interest, it may be capitalized, or added to your balance, and then begin to accumulate interest as well.

Late-payment fees — Late-payment fees are charged if your payment is received after the due date or if you don't make a payment at all. Some companies have a set fee, such as \$20 or \$30, while others may charge you a percentage of your minimum payment. Making late payments will almost always cause the credit card company to increase your interest rate.

Over-the-limit fees — These fees may be charged if you exceed your credit limit if you've opted to permit the card issuer to allow charges that put you over your credit limit. You will receive disclosures that include the amount of over-the-limit fees the issuer charges. If you agree to permit these fees, you may be charged a fee of up to \$25 the first time you exceed your credit limit and a fee of up to \$35 if you go over your limit a second time within six months.

Other fees — You can be charged other fees depending on your credit card agreement. This may include fees for opening a new account, paying your bill by telephone or paying your bill with a check that is returned for non-sufficient funds.



Notes

22 horizontal blue lines for writing notes.



All About Your Success

(800) 243-7552 | www.studentloan.org

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