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HELPFUL TERMS

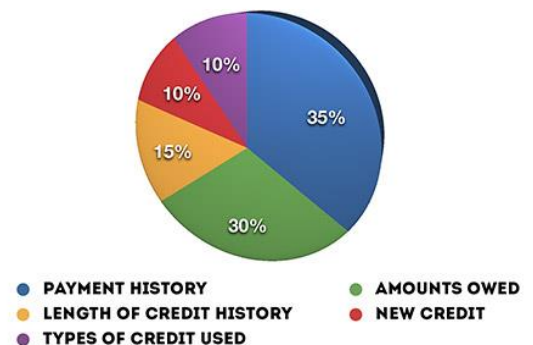
APR (Annual Percentage Rate)	The rate of interest a credit card holder will be charged on the balance if the full amount isn't paid on or before the due date
Authorized User	A person who has permission to use and/or carry another person's credit card, but isn't legally responsible for paying the bill
Balance	The amount that is carried over on your credit card from month to month
Credit Limit	The amount of credit that the credit card company extends to a client
Credit History	A record of a consumer's ability to repay debts
Credit Report	A detailed report of an individual's credit history prepared by a credit bureau and used by a lender in determining a loan applicant's creditworthiness
FICO Score	3-digit number ranging from 300-850 that lenders use to assess an applicant's credit risk and whether to extend a debt product
Hard Inquiry	A type of credit report check that may lower an individual's credit score. A hard inquiry occurs when an individual applies for any type of credit, such as a mortgage, credit card or auto loan
Soft Inquiry	A type of credit report check that does not impact an individual's credit score. This is a check performed by the individual, by an employer, or other non-lenders
Utilization Rate	The percentage of a consumer's available credit that he or she has used

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CREDIT SCORE FACTORS

- **Payment History** – The most important factor. This demonstrates to the lender that you pay back the money that is lent to you on time. It looks at whether or not you have paid your credit card bill on time each month.
- **Amounts Owed/Utilization Rate** – This factor looks at your utilization rate and outstanding balances on other loans (mortgages, notes).
- **Length of Credit History** - How long you have been using credit. How many years have you been using credit for? How old is your oldest account, and what is the average age of all your accounts?
- **New Credit** - Considers how many new accounts you have. It looks at how many new accounts you have applied for recently and when the last time you opened a new account was. If you have opened several accounts recently, you could be viewed as more risky by lenders.
- **Types of Credit** - Do you have a mix of different types of credit, such as credit cards, installment loans and mortgages. It also looks at how many total accounts you have.

COMPONENTS OF YOUR CREDIT SCORE



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DOS AND DON'TS OF USING A CREDIT CARD

- **DO** pay off the entire balance **EVERY MONTH!** This will keep you from paying unnecessary interest (which can be as high as 25%).
- **DO** check your credit report at least once a year at annualcreditreport.com.
- **DO** keep your utilization rate less than 30% of the total credit limit. If you have a low credit limit, keep purchases small while you build your credit up.
- **DO** watch out for annual fees! Don't let these sneak up on you.
- **DON'T** skip a payment! This will have an impact on your credit score.

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GETTING A CREDIT CARD

- **Research** – There are many websites where you can research which card is best for you
 - creditcards.com
 - nerdwallet.com
 - comparecards.com
- **Apply** – Once you finish researching, you can apply through the company website of the card that you like.
- **Familiarize** – Once you are approved and receive your card, make sure to read the fine print. You want to make sure you are aware of any hidden fees or charges
- **Spend Wisely** – Now that you have a credit card you have the ability to make some painful financial mistakes. Start out slow by putting a couple small purchases on the card until you are used to how it works. You will be a pro in no time!

Student Loan Options at The Ohio State University

Loan Name	Loan Type	Interest Rate	Loan Description	Repayment Terms	Maximum Awarding Limit	Maximum Aggregate Value
Federal Perkins Loan	Undergraduate / Federal (University Administered)	5%	Fixed, low-interest rate, need-based loan. Must be repaid to the University administering the loan. Student must be enrolled at least half-time in a degree-granting program, maintain Satisfactory Academic Progress (SAP), and meet FAFSA priority date.	No interest accumulates while student is enrolled at least half-time or during the nine-month grace period. Repayment of principal and interest begins nine months after you graduate, withdraw, or drop below half-time enrollment.	\$1,000 maximum award per OSU guidelines	\$27,500
Direct Subsidized Loan	Undergraduate / Federal	4.45%	Fixed-interest, need-based loan for students who demonstrate financial need. Student must be enrolled at least half-time and maintain Satisfactory Academic Progress (SAP)	Borrower is not responsible for interest on loan while enrolled at least half-time and during grace periods. Student assumes responsibility for interest and principal after grace period.	\$3,500-\$5,500, depending on grade level	\$23,000
Direct Unsubsidized Loan	Undergraduate / Federal	4.45%	Fixed-interest, non-need-based loan. Student must be enrolled at least half-time and maintain Satisfactory Academic Progress (SAP)	Borrower is responsible for all interest, starting at the 4 time of initial loan disbursement.	Dependent Undergrad: \$5,500 - \$7,500 (factoring grade level & Subsidized Loan usage). Independent Undergrad: \$9,500 - \$12,500 (factoring grade level & Subsidized Loan useage.)	Dependent Undergraduate: \$31,000 (less any Subsidized Loan). Independent Undergraduate: \$57,500 (less any Subsidized Loan)
Direct Parent PLUS Loan	Undergraduate / Federal	6.84%	Fixed-rate, non-need based loan for parents of dependent undergraduate students. Student must be enrolled at least half-time and must maintain Satisfactory Academic Progress (SAP)	Interest accumulates as soon as the loan initially disburses. The parents have the option of deferring repayment based on student's enrollment status.	Annual Cost of Attendance (COA), minus all other forms of financial aid	N/A
Direct Unsubsidized Loan	Graduate / Federal	6%	Fixed-interest, non-need-based loan for graduate students. Student must be enrolled at least half-time and maintain Satisfactory Academic Progress (SAP)	Borrower is responsible for all interest, starting at the 12 time of initial loan disbursement.	\$20,500	\$138,500 for graduate or professional students— See www.studentaid.ed.gov for full details on Graduate Unsubsidized Loan
Direct Graduate PLUS Loan	Graduate / Federal	7%	Fixed-rate, non-need based loan. Student must be enrolled at least half-time and must maintain Satisfactory Academic Progress (SAP)	Interest accumulates as soon as the loan initially disburses. Repayment begins within 60 days after the date of the final disbursement. In-school deferment is available provided that the student remains enrolled at least half-time in an eligible program.	Annual Cost of Attendance (COA), minus all other forms of financial aid	N/A
Private Loan	Undergraduate and Graduate / Private Company	Variable	Contact Private Loan lenders for details	Contact Private Loan lenders for details	Contact Private Loan lenders for details	Contact Private Loan lenders for details

*Loan interest rates are subject to change. For most current rates, please visit www.studentaid.ed.gov

**Most loans have origination fees that will be deducted from each disbursement made

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HELPFUL TERMS

Principle	The total sum of money borrowed plus any interest that has been capitalized
Capitalization	When the interest that has accrued while in college gets added to the original principle of the loan.
Interest Rate	Amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of assets.
Accrued Interest	The interest that has accumulated on the loan prior to the beginning of the loan payback.
Grace Period	The grace period is a set period of time after you graduate, leave school, or drop below half-time enrollment before you must begin repayment on your loan. Typically 6 months.
Lender	The entity who actually lent the money to the student.
Loan Servicer	The company that handles the billing and other services on your federal student loan.
Disbursement	The act of the loan actually being paid to the student.
Consolidation	The combination of multiple student loans into one loan. The result is a single monthly payment instead of multiple payments.

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REPAYMENT OPTIONS

Standard	Monthly payments are a fixed amount of at least \$50 each month made for up to 10 years (also a 25-year option).
Graduated	Monthly payments: <ul style="list-style-type: none"> – Start low and increase every two years – Made for up to ten years (also a 25-year option) – Will at least equal the amount of interest that accrues between your payments – Won't be more than three times greater than any other payment
Pay as You Earn	Repayment plan with monthly payments that are limited to 10 percent of your discretionary income (the difference between your adjusted gross income and 150 percent of the poverty guideline amount for your state of residence and family size, divided by 12).
Income-Based Repayment	Repayment plan with monthly payments limited to 15% of your discretionary income.
Income-Contingent Repayment	The Income-Contingent Repayment (ICR) plan is a repayment plan with monthly payments that are the lesser of (1) what you would pay on a 12-year standard repayment plan multiplied by an income percentage factor or (2) 20% of your discretionary income divided by 12.

Note: This is not an all-inclusive list of repayment options. Talk to your loan provider about other options that may be available to you.

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REPAYMENT CHART

Repayment Plan	First Monthly Payment	Last Monthly Payment	Total Amount Paid	Projected Loan Forgiveness ⓘ	Repayment Period
Standard ⓘ	\$414	\$414	\$49,715	\$0	120 months
Graduated ⓘ	\$239	\$717	\$53,496	\$0	120 months
Extended Fixed ⓘ	\$250	\$250	\$74,960	\$0	300 months
Extended Graduated ⓘ	\$204	\$357	\$81,195	\$0	300 months
Revised Pay As You Earn (REPAYE) ⓘ	\$227	\$538	\$60,103	\$0	170 months
Pay As You Earn (PAYE) ⓘ	\$227	\$414	\$60,422	\$0	177 months
Income-Based Repayment (IBR) ⓘ	\$340	\$414	\$51,259	\$0	129 months
IBR for New Borrowers ⓘ	\$227	\$414	\$60,422	\$0	177 months
Income-Contingent Repayment (ICR) ⓘ	\$331	\$366	\$54,426	\$0	154 months

Assumptions: \$36,000 in debt – Direct Unsubsidized Loan – 6.8% interest rate – Income of \$45,000

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RESOURCES

- **Studentloans.gov** – federal website allowing you to see loan balances, repayment options, discover answers to FAQs and much more
- **Studentloans.gov/myDirectLoan/mobile/repayment/repaymentestimator.action** – federal website allowing you to see what your current monthly payment would be. The site also allows you to add hypothetical loans to make smart borrowing decisions.
- **Nslds.ed.gov** – This federal website houses all of a student's student loan information from balances, to types, to important contacts.
- **www.nerdwallet.com/blog/loans/student-loans/student-loan-repayment-plans/** - This website goes into good detail about all of the different repayment types with pros and cons of each type.

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IDENTIFY GOALS

- Think about/develop goals/priorities for yourself. These can fall into many categories including:
 - Educational
 - Career
 - Financial
 - Social
 - Wellness
- Most goals will include some sort of financial aspect. This will help formulate important pieces to your budget
- Connecting goals to your budget helps to motivate yourself to actually plan and follow your budget!

2

TRACK SPENDING

- Look back at spending/expenses for the most recent 2-3 months
- Group expenses into buckets as detailed as you see fit:

Example Buckets
Utilities
Rent
Groceries
Restaurants

- Take an average of the previous 2-3 months for each bucket. This will serve as your baseline for your first budget.

Bucket	Month 1	Month 2	Month 3	Average
Utilities	\$ 75	\$ 105	\$ 80	\$ 87
Groceries	\$ 150	\$ 225	\$ 110	\$ 162

- When creating a budget, always underestimate income and overestimate expenses. This will create a cushion.

3

DRAFT A PLAN

A budget consists of 3 main parts:

- **Income** – This will include your paychecks and any other income received during the month
- **Saving/Expenses** – This will include any outgoing money during the month. These should be derived from the goals and priorities from section 1
 - Fixed Expenses – Items that are staples in your budget. These are non-optional categories that you must pay every month (Ex. Rent, Debt Payments, Other bills). This group of expenses should be set first in the budget. **NOTE:** This group should include saving as it is equally as important to habitually save as it is to pay bills
 - Variable Expenses – Items that can be adjusted within the budget on a month to month basis to fit around fixed expenses. These expenses should be budgeted last to fit into your monthly plan (Ex. Restaurants, Clothing, Groceries)
- **Cushion/Deficit** – Represents the difference between the income and the expenses

Budget Skeleton		
Income	\$	1,000
Expenses		
Fixed	\$	600
Variable	\$	300
Net Income	\$	100

Note: This is just a skeleton of a budget. There will be many more rows within the expenses section.

4

ADJUST

- Monthly Check-Up – No two months (or budgets) are the same, which is why a budget should be revisited/revised at the start of each month. If you struggle with your budget on the first attempt, DON'T WORRY! KEEP TRYING!
- Envelope System – If you are having trouble over spending in certain categories, implement the Envelope System. Place the amount of money in which you budget for a certain category into an envelope in the form of cash. Once the money is gone, it's gone!

Personal Budget Sheet

Name:

Date:

	Month 1	Month 2	Month 3	3 Month Average
INCOME				
Wages				
Other Income				
Financial Aid (Scholarships, Grants, Loans Refunds)				
Income Totals				
EXPENSES				
Rent				
Utilities (Electricity, Gas, Water, Cable etc.)				
Other Bills (Cell Phone, Internet, etc.)				
Groceries + Household Supplies				
Dining Out				
Entertainment (Movies, Shows, Festivals, etc.)				
One-time expenses (Travel, Holidays, etc.)				
Educational Expenses (Books, Supplies, etc.)				
Gifts, Clothing, Online Purchases				
Subscriptions (Spotify, Netflix, Amazon, etc.)				
Medical Expenses (Prescriptions, co-payments, etc.)				
Parking, Public Transportation				
Recreation (Sports, IMs, Gym Fees)				
Car Payment, Gas, Insurance				
Misc. Personal (Donations, Salon/Barber, etc.)				
Expenses Total				
TOTAL SUMMARY				
Cash short/extra: (INCOME minus EXPENSES)				
Running Act. Balance: (Total Cash Shortage/Extra + Total Assets)				

Current Total Assets (Checking, Savings, etc.):	
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