

STUDENT FINANCIAL TIMES

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TAKING CONTROL OF YOUR CREDIT CARDS:

Mary B. W. Fenton, Assistant Dean

Wouldn't you take advantage of an investment opportunity that guaranteed an 18% to 22% return? It's closer than you think. "Paying off the balance on a credit card is just about the 'best' investment you can ever make. Not having to pay 18% to 22% interest on a credit card is as good as *earning* 18% or 22%. Risk-free. Tax free." Imagine owing \$1,000 on your credit card and paying just the minimum monthly required payment; it could take you more than 20 years to pay back the \$1,000 and you would wind up paying approximately \$2,000 in interest. For people who run balances on their credit card(s), life is 18% to 22% more expensive than it needs to be.

TAKE THIS BRIEF CREDIT QUIZ: **

1. How many credit cards does the average household have?
 - a. 5
 - b. 8
 - c. 11
 - d. 13
2. How much interest does the average household, with credit card debt, pay in a year?
 - a. \$300
 - b. \$500
 - c. \$1,000
 - d. more than \$1,000

3. For people who file bankruptcy, how high, is their credit card debt as a proportion of their income? (This includes people with high incomes.)

- a. 40%
- b. 50%
- c. 70%
- d. 90%

4. What percent of US households pay their credit card balance, in full, each month?

- a. 15%
- b. 25%
- c. 40%
- d. 50%

** Answers can be found at the end of this newsletter.

Whose fault is it that America is out of control with their credit cards? Many people blame the credit card companies because the temptation of lines of credit is so appealing. The reality, however, is that it is our job, as credit card holders, to control our credit/borrowing behavior. There are a plethora of methods to overcome credit card debt and take financial control of your life. **The most important is to destroy all but one credit card and use that one only for emergencies and/or always pay it off, monthly.** If your credit record has been damaged by too many credit cards and/or a history of late payments, there is relief. The Consumer Credit Counseling Service [HTTP://www.pe.net/~cccs/](http://www.pe.net/~cccs/) provides budget counseling services and programs designed to help formulate a repayment plan which might even allow repayment of credit card balances without paying the interest. If you do not have internet access, you can call 1-800-966-3328.

If you are experiencing any credit problems, please make use of the services Consumer Credit Counseling Services can provide.

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WELCOME...

Hi! My name is Lynda Whitson. On January 28, 1999, I accepted the position as Financial Aid Counselor. I've come from a small hospital office setting, so I am eager to learn more about the medical school financial planning process. I've had the opportunity to work with some students in the past few weeks and I'm looking forward to working with more of you in the future. If you have some free time, feel free to stop by and introduce yourself.

Financial Aid Updates

Karla M. Hettinger, Coordinator

Financial Aid Packets

Financial aid packets will be sent out at the end of February. Please complete the necessary forms (use your checklist as a guide) and return them to the Office of Student Financial Planning as soon as possible. As a reminder, the deadline for returning a complete financial aid packet is **April 15, 1999**.

1722 or 4506 Form

Students who have borrowed previously must turn in a 1998 tax form. First time borrowers must turn in a 1997 & 1998 tax form. If you did not file a tax form, filed Telefile, 1040PC or filed \$0 wages for the year(s) required you must contact the IRS and request a 1722 form. A 1722 form is verification that you did not file a tax form, filed a 1040PC or filed \$0 wages. If you did file and do not have a copy of your tax form, you must file a 4506 form with the IRS. The request form for the 4506 form is located in the Office of Student Financial Planning. The 4506 form gives line by line figures of what you filed. These forms must be turned in to the Office of Student Financial Planning prior to any funds being disbursed to you.

1998-99 Deadline for Aid

The deadline for requesting additional financial aid for the 1998-99 academic year is **March 1, 1999**. All award letters and loan applications must be complete and turned in to the Office of Student Financial Planning by 5:00 p.m. **Applications received after March 1st will not be processed.**

Finance Charge Reversal-

Finance charges may be reversed if the deadline of April 15, 1999, for completed financial aid applications to be returned to Student Financial Planning, is met. Also, the completed award letter packet must have been returned within two weeks of the date awarded. Incoming Freshman students have two weeks from the date of acceptance to return completed applications. The deadline for incoming freshman recognizes that financial aid information is being sent out in February, 1999.

1999-2000 Financial Aid "Help" Sessions:

Financial aid information packets for the 1999-2000 academic year will be sent to students in February. The deadline for return receipt of completed information is April 15, 1999. To facilitate students in correctly completing their packets, five "help" sessions will be held. The sessions are open to all students and will be held in the LRC from 12:00 noon to 1:00 p.m. on March 8th, 9th, 10th, 11th, and 12th. Space is limited, so please call Stacy Cremeens at 577-8617 to schedule a date.

Who Is It Applying For Financial Aid - THE STUDENT?

It has long been the policy in Student Financial Planning to not discuss a student's financial aid with parents, spouses, other family members, or significant others. The reasons for this are: 1)it is the student's financial responsibility 2)it could violate a student's privacy and 3)the Student Professional Conduct Code does not include anyone's behavior but the student's. Therefore, this policy is being restated to ensure that students are aware of it and to save time for spouses, parents and significant others.

SENIORS - Exit Interviews:

The dates are scheduled for April 12th, 13th and April 14th. Two sessions will be held, each day at 9:00 a.m. and 1:00 p.m.. Please call the office at 577-8617 to schedule a time for your exit interview. All aspects of deferment, consolidation and repayment will be covered during these sessions.

THE FACT FINDER:

- the total amount of financial aid processed during the 1997-98 academic year was \$19,011,971
- 529 of 615 (86%) students received some form of financial aid during the 1997-98 academic year

Lifetime Learning Credit:

The Lifetime Learning Credit is a tax credit available to individuals who file a tax return and **owe** taxes. A family (or individual) may claim up to 20% of \$5,000 of out-of-pocket qualified tuition and related expenses paid after June 30, 1998 and prior to January 1, 2003. After January 1, 2003, a family may claim up to 20% of \$10,000 of eligible expenses. The actual amount of the credit depends on the family's (or individual's) income and the amount of qualified tuition and fees paid.

THANK YOU - From Karla

I want to take this opportunity to thank everyone for the well wishes, cards and gifts on the arrival of Macy Lyn. A little update on Macy...Macy is growing very fast. She now weighs over 14 lbs and is 25" long. She is beautiful. Again, thank you very much.

ANSWERS TO CREDIT QUIZ:

1. c
2. d - Consider investing that \$1,000 in a mutual fund or Roth IRA. The average return on mutual funds is _____ which is better than spending 18% to 22% more on credit card purchases.
3. d
4. b