

OKMM™

OKLAHOMA MONEY MATTERS

Your Bottom Line

Your go-to resource for timely information about personal finance, college planning and student loan management



Pay As You Go: Mobile Payment Services

For customers who never carry cash, are easily distracted when making purchases or want a more convenient way to pay for items, mobile payment services might be an option worth considering. Mobile payment services allow consumers to use their smartphone to digitally pay for items without the hassles of using cash, checks, plastic cards or money wiring services. These are a few of the different ways consumers can pay.

- Near-field communications technology (NFC) allows a customer to waive or tap a smartphone device onto a terminal that reads payment information. NFC requires the customer to use pay app programs such as Apple Pay, Google's Android Pay, or MasterCard's PayPass, which store their payment information. Because payment information

is transmitted through radio waves, wireless identity theft can occur, so use these methods with caution. Some companies create alternative payment devices including wristwatches, key fobs and bracelets, which is why this method was first called "contactless payment."

- Hands-free payment allows customers to purchase items without physically handing or showing payment to the cashier. Instead, they download a payment app such as Google's Hands Free or the TabbedOut restaurant app. When it's time to pay, the customer tells the cashier his or her preferred payment method. Cloud technology allows the cashier's payment terminal to identify and collect payment from the customer's smartphone.

Once payment is received, the customer leaves with the item(s). Some merchants, like Starbucks and Chipotle, allow customers to pre-order their food or purchases and pay for items without waiting in line.

- Quick response (QR) codes allow customers to download an online payment app such as PayPal Mobile Wallet or individual merchant apps such as Walmart Pay. Through these apps, customers use their smartphone camera to take a picture of the QR code, which scans the information and retrieves payment from the payment apps. Though similar to NFC payment, a QR code doesn't use radio waves to send or receive information.

Cont. on page 2



RSR's video: NSLDS Ways to Save on College Textbooks



Q&A: Home Renovation Do's & Don'ts



Frugal Fall Dates Debt Settlement: Pros vs. Consequences



New FAFSA Filing Date On Our Mind



10 Last Minute Halloween Costumes Borrow Smart



College Savings Month



Partner News and Events

Are you ready to begin using mobile payments? Before you start, here are some tips to keep in mind:

- You can easily overspend when using mobile payment apps. Create a spending plan and stick to it to help control impulse purchases.
- If you choose to use a mobile payment app, it's important to safeguard it like any other personal account. Log out of the app and lock the screen so it can't be easily accessed by others.
- To prevent a catastrophe if you lose your phone, install a security app with GPS capabilities. If you suspect your phone has been compromised, you can activate the app to erase your information. Contact your mobile provider for information on security apps.



Two Minutes to Student Loan Success

Ready Set Repay (RSR), the default prevention initiative of the Oklahoma College Assistance Program (OCAP), wants to help you navigate the student loan borrowing and repayment process. If you've borrowed federal student loans to pay for your education, but aren't sure how much you owe, RSR's newest video is for you. Check out *How to Find Out What You Owe* to learn how to access your federal student loan and grant information through the National Student Loan Data System (NSLDS). In less than two minutes, you'll be empowered to take greater control of your student loan(s).

The video is available on the homepage at ReadySetRepay.org or by searching 'OkCollegeAssistance' on YouTube.com.

Ways to Save on Textbooks

Collegeboard.org estimates that a full-time undergraduate student who attends a four-year public college will pay an average of \$1,298 on books and supplies each year. Here are some ways students are reducing their textbook costs.

College bookstores. Students can purchase textbooks at full price or rent them for a reduced cost. Rental lasts for the entire semester and if the student chooses to keep the textbook, he or she is charged the difference between the rental fee and retail price.

E-textbooks. If required books are available in digital format, this option can save students both money and paper by downloading the textbook or accessing a website using a special code. While some faculty require students to purchase all-digital textbooks, others may prefer to avoid them. Students should talk to their professor or instructor prior to purchase.

Libraries. College libraries may buy a limited number of textbooks for general education or select degree courses for students to rent. Local libraries might not have the same catalogs as their campus counterparts, but can still be a great resource if a class requires titles from contemporary or non-academic authors.

Online bookstores. These bookstores generally allow students to buy and sell their books to public retailers and private buyers without negotiating sales through a physical store front. Many also offer textbook rental services.

If e-books and rentals aren't available, buy used textbooks before buying new. For more information on managing college costs, check out [OKMM's Money Management for College Students](#) learning module.



Home Renovation Dos and Don'ts

Dan Myers, Principal Construction Manager at Konstruct Group & Licensed Realtor at Kevo Properties

Principal Construction Manager Dan Myers of Konstruct Group, a licensed realtor at Kevo Properties, answers our questions about which home improvement projects are worth the effort.

Tell us why you became both a realtor and a construction manager.

I grew up in a family who did this type of work out of necessity. My dad rented out and fixed a lot of his properties. Construction management and realty are fun and rewarding, while providing a different return on investment. Plus, doing both allows me to diversify my revenue stream and enables my wife to stay at home with our young family.

From your unique point of view, which remodeling projects or upgrades should homeowners invest in, especially if they plan to sell later?

It's been said a million times that remodeling kitchens and bathrooms improves the value of a home. While a quality remodel can definitely add value and utility to your home, you don't have to "go big" with a lot of new appliances or expensive equipment. In addition to bathrooms and kitchens, one trend that's growing in popularity

is remodeling and upgrading outdoor living spaces. Whether your budget is big or small, you can do a lot to make your backyard more desirable for kids or guests of any age.

Obviously, not all upgrades increase value; which potential projects may need to be reconsidered?

Poorly executed upgrades, such as a doorway that forces people to duck, a cramped, dysfunctional layout, or poor craftsmanship will deter potential future buyers. Also, poorly conceptualized add-ons or conversions, such as a garage or an attic, can devalue a property. I've found that garages converted into a bedroom or a home office rarely increase the home's resale value. Future buyers generally want a garage for storage, unless you can sell them on the idea that the bedroom can be used as income property.

We know that DIY projects can save a lot of money, but when should homeowners hire a professional?

Anytime your city or local municipality says you must have a licensed contractor related to plumbing or electrical issues, then you must hire a professional

that understands boundaries, codes, and regulations. If you have to move or remove walls within a home, contact a professional who knows your city's or municipality's permit regulations. It's never good to do your own roofing, especially due to the physical hazards connected to it. Hiring a licensed roofing company keeps you from being injured and ensures the repairs are up to code. If there are multiple improvement projects happening in tandem, having a professional project manager is a great way to maximize the work flow to complete projects in a timely manner.

I always say that remodeling your home is a full-time job. Hiring professionals allows homeowners to partner with someone who can bring their design concepts to life, correct or prevent remodeling mistakes, and advise about which upgrades may not be worth the time and money.

Frugal Fall Dates



With the transition to autumn comes milder weather and beautiful scenery. Fall hosts a wealth of seasonal activities that have romantic potential. Here are some ideas for dates that won't make a huge dent in your bank account.

Fall festivals. Search online or keep an eye on newspapers for events with free or cheap admission.

Pumpkin patches. Instead of buying a pumpkin at the supermarket, make a date out of visiting a farm to buy locally.

Nature walk. With changing foliage and cooler weather, this is the perfect time to hike in the woods or go for a walk in the park.

Farmer's markets. Visit your local farmer's market, then plan a romantic dinner around what you find.

Road trips. Research scenic roads and destinations. There are few things more romantic than a cozy cabin nestled among autumn trees, which could also turn out to be one of the more fun and affordable weekend trips you've taken.

Debt Settlement: Pros vs. Consequences

If you're tired of being in debt, you may have considered working with a debt settlement company. Settlement companies claim to help you tackle debt by negotiating lower payment on loans, collections and credit card accounts. Freedom from debt is a worthy goal, and it's important to carefully weigh all your options before making a decision on how to manage your debt.

Pros of debt settlement:

- A lower monthly payment or lower total debt balance.
- The debt is paid off quickly once negotiations have been finalized.
- Once the settlement is established, collection calls will stop.

Consequences of debt settlement

- While the company negotiates on your behalf, monthly payments aren't being made, which results in derogatory remarks on your credit report.
- Once the debt is paid, the creditor will report it as "settled for less than agreed" or "settlement accepted." These labels can negatively impact your credit report for up to seven years.
- Debt that's charged off or forgiven can be viewed by the IRS as income that may be taxable.
- The majority of the monthly payment you'll make to the debt settlement company is a fee for their services, so it won't be applied toward your debt balance.

There are other strategies for overcoming debt. Talk to your creditors to negotiate lower interest rates and/or lower monthly payments, or explore debt management plans offered through a nonprofit credit counseling organization, such as [Consumer Credit Counseling Services of Central Oklahoma](#). For more information about overcoming debt, visit [OklahomaMoneyMatters.org](#).



Question: What's new and improved about the Free Application for Student Aid for the 2016-17 school year?

Answer: College students and high school seniors will be able to submit the FAFSA beginning Oct. 1, 2016, instead of waiting until Jan. 1, 2017. Additionally, families will be able to use their previously filed tax information, which means that this year, families can submit a completed FAFSA using their 2015 tax return.

Take action now to be ready!

- If you're a high school counselor, educator or campus partner, plan to start FAFSA awareness campaigns and schedule events as soon as possible. Contact UCanGo2.org to sign up for email updates and to order a free Counselor Toolkit, which includes new FAFSA tools.
- If you're a parent or student, bookmark StartWithFAFSA.org for relevant updates and free resources, including UCanGo2's brochure, *Finish the FAFSA in Five Steps*.
- Like UCanGo2 on Facebook for information about a wide variety of scholarships and college planning tips.

The upcoming changes to the FAFSA offer numerous benefits for students and parents. As always, it's important to submit the FAFSA as soon as possible after it's released Oct. 1 to help meet state and federal financial aid deadlines, including for some grants and scholarships.

On Our MIND



What's on the mind of OCAP staff? This month, educational services manager Melissa Neal talks about why she doesn't budget.

As a financial educator, admitting that I don't budget is akin to blasphemy. However, it's true – my family doesn't budget. We actively manage our money, but we don't use a traditional budget. Instead, it's more like priority planning. We address our financial priorities first and then force ourselves to live within the boundaries of how much money is left. This method works beautifully for us, and it just might work for you, too. I'm paid on a monthly basis, which is why I pay fixed expenses at the beginning of each month. If you don't get paid monthly, you can modify these steps to better fit your pay schedule. Here's how we do it.

- **Identify what's most important.** Determine which expenses must be paid and which additional expenses you care most about. In other words, what are your needs and your highest priority wants? In my home, we prioritize savings, our tithe, mortgage and utility bills. We take care of these before we pay for anything else.
- **Determine what's left.** Once your priorities are identified, subtract the cost of those expenses from your take home pay to calculate how much money you have left until your next pay period. Then, divide that amount by the number of weeks left until payday. This simple equation identifies how much disposable income you have each week. Keeping this number in mind, plan your spending accordingly. Find creative ways to maximize your money, such as shopping at discount stores, using coupons and eating at home. Practice discipline and force yourself to live within your weekly spending allotment.
- **Streamline when possible.** I like to use tools that simplify my payment processes and take the guess-work out of planning for some of my variable expenses. Automating payments through my financial institution's online tool helps me avoid late fees, and my electric co-op allows me to average my monthly bill so I can easily anticipate the cost from month to month. Consider reviewing your current money management system to see if there are ways you can simplify the process.

If this system doesn't inspire you, don't worry. There are many money-management options available. To learn more about crafting a custom spending plan, check out the budgeting module at OklahomaMoneyMatters.org.

10 Last-Minute Halloween Costumes

1. Ancient Greek or Roman: Take a bed sheet and wear it as a toga. Accessorize with sandals, a crown of leaves, and a goblet.
2. Gift: Cut the bottom out of an extra-large gift bag and wear it like a tank top. Stuff colorful tissue paper into it and add a bow to the top of your head.
3. Hogwarts student: Wear an old graduation gown over a white button-up shirt and carry a wand (even a cool stick will do). Bonus: add a tie or scarf in the colors of one of the Hogwarts houses.
4. Slasher movie victim: If you have some fake blood or red lipstick, creating some frighteningly disturbing mortal wounds just takes a little creativity. Dressing like a cheerleader, athlete or prom date adds to the classic horror movie effect!.
5. Frida Kahlo: Part your hair down the middle and pull it back, wear a crown of flowers on your head, tie a shawl around your shoulders and color in the space between your eyebrows.
6. Rosie the Riveter: Recreate this wartime icon of feminine strength by wearing a collared denim shirt with the sleeves rolled up and tie a red bandanna over your hair. Strike her classic strong-arm pose. Bonus: Carry a large speech bubble that says “We Can Do It!”
7. Burglar: Dress in all black. Really set the theme with gloves, hat and a mask. Carry a white sack with a dollar sign drawn on it. This costume works best for parties; use safety measures like reflective gear or flashlights if trick-or-treating.
8. Two bathrobe options: Wear sunglasses with your bathrobe and be the Dude from *The Big Lebowski*. Alternatively, carry a towel and be Arthur Dent from *The Hitchhiker’s Guide to the Galaxy*.
9. Jellyfish: Tape white streamers or ribbon along the edges of a clear or white umbrella. Wear white and carry the umbrella so that the streamers flow around you as you walk.
10. Missing costume: Use a marker to write on an old, white tee-shirt:
ERROR 404 Costume Not Found.



Borrow Smart from the Start

For students who want to minimize debt after graduation by making smart borrowing choices from the very start of their college career, we offer the *Borrow Smart from the Start* brochure. This online resource is a handy step-by-step guide to savvy student loan borrowing that covers the complete student loan life cycle.

Each section lists helpful tips for wise borrowing, successful repayment and general debt management. Topics include:

- Completing the Free Application for Federal Student Aid (FAFSA) each year you need financial aid.
- Seeking grants and scholarships and maximizing other cost-cutting measures.
- Borrowing only what you need to pay for necessary school-related expenses.
- Monitoring student loan balances using the National Student Loan Data System (NSLDS).
- Exploring different student loan repayment options.
- Consequences of delinquent payments and defaulted student loans.
- Loan rehabilitation and consolidation.

No matter where you are in the process, this publication provides everything you’ll need to be a smart borrower. We encourage those who work closely with high school and college students to share this resource with them. To download the brochure, visit ReadySetRepay.org.

September is College Savings Month

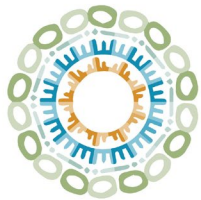


Saving for college is a major concern for most parents. Students usually start thinking (or panicking) about college in high school. Many students worry that they won't be able to attend the college of their choice or even go to college at all because they can't afford it. Here are some saving strategies you can implement now to prepare financially for college.

- **College Savings Plans.** The Oklahoma 529 College Savings Plan offers several advantages, including an Oklahoma tax deduction, a choice of investment options and funds that can be used at thousands of higher education institutions in the U.S. and abroad. Visit OK4Saving.org to learn more.
- **Prepaid college tuition plans.** Some states and higher education institutions offer prepaid tuition plans that allow your family to lock in today's prices for college tuition. This can be a great cost-saving option, as long as your student is 100 percent sure that's the college he or she will attend.
- **FAFSA.** The Free Application for Federal Student Aid is a form that helps determine eligibility for federal grants, student loans and work-study programs. Completing the FAFSA is the first step in the financial aid process for every family, because many state scholarships require a completed FAFSA and colleges and universities use it to determine institutional financial aid, too. To learn more, visit FAFSA.gov.
- **Oklahoma's Promise.** Through this program, qualifying students can earn a college tuition scholarship. Students must enroll in Oklahoma's Promise during the 8th, 9th or 10th grade and meet other criteria, such as income and GPA requirements. To learn more, visit OKPromise.org.
- **Scholarships.** Students should treat applying for scholarships and grants like a full-time job. It's important to be diligent in this process, especially if there are high expectations for attending college, but a lack of savings and little expectation for financial aid assistance. When applying for scholarships, pay attention to deadlines, civic and community organization options, Native American membership educational benefits, and religious or military benefits. Many of these processes begin well before the senior year of high school, so being proactive is a necessity. Check out UCanGo2.org for more scholarship tips and resources.



Partner News and Events



Financial Education in OKLAHOMA

2016 | Money Misbehaving: Why We Do What We Do With Our Money

Annual Financial Education Conference
Thursday, November 10
8:30 a.m. until 3:45 p.m.

Moore Norman Technology Center - S. Penn Campus
Oklahoma City



Member Meeting:
Wednesday, October 26
11:30 a.m. until 1:00 p.m.
Oklahoma City

For more information about either of these events,
email Melissa Neal at mneal@ocap.org
or visit OklahomaJumpstart.org

Have News to Share?

Let us feature it! Do you have a contest, educational workshop or other event you'd like us to highlight in a future edition of the newsletter? Send a note to bnichols@ocap.org today; space is limited.



Oklahoma Money Matters (OKMM), an initiative of the Oklahoma College Assistance Program and the Oklahoma State Regents for Higher Education, is a personal finance education program that helps K-12 schools, higher education campuses, businesses and community partners develop or expand educational services that empower Oklahomans to make positive financial choices.

Visit us online at
OklahomaMoneyMatters.org.

To ask questions or share comments regarding this newsletter, call 800.970.OKMM (toll free) or email OklahomaMoneyMatters@ocap.org.



Follow 'OKMoneyMatters'



Like 'OklahomaMoneyMatters'



Like 'UCanGo2'



Like 'RepaymentScoop'

