



Your Bottom Line

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



15 to Finish

Ask a college student what constitutes a full-time course load and s/he will probably tell you that taking 12 credit hours per semester makes you a full-time student. While that answer is true for federal financial aid purposes, this strategy won't help a student complete a degree on time. For a student taking 12 hours each semester, a two-year associate degree will take two and a half years to finish, and it will take five years to earn a bachelor's degree.

The Oklahoma College Assistance Program (OCAP) and Oklahoma State Regents for Higher Education (OSRHE) are passionate about helping Oklahoma's students stay the course and complete their degrees. In fact, our state's degree and certificate completion efforts have led the Complete College America (CCA) initiative to name Oklahoma as a national model for degree completion! Oklahoma

higher education is ready to help students reach the next level of academic success on time - that's why we're participating in CCA's 15 to Finish campaign.

CCA calls the 15 to Finish campaign a 'game changer,' because it aims to redefine 'full-time' college attendance as 15 hours each semester, or 30 credit hours per year. This approach is proven to help students stay on track, borrow less in student loans and enter the workforce faster than students who routinely take 12 hours per semester.

According to CCA, students who take at least 15 credit hours per semester are more likely to excel academically and successfully complete college. Of course, all students won't be able to complete 15 credit hours per semester, but educating students about the benefits of a 15-hour approach

and making sure each student understands the necessary steps for graduating on time will help them make the most informed decisions during their college career.

OSRHE partnered with CCA to host a 15 to Finish Summit for college and university campuses Thursday, Feb. 23. The Summit brought together academic, student affairs, financial aid and academic advising professionals to talk about strategies and practices that promote on-time degree completion. Strategies discussed include communication campaigns to redefine full-time status and outline the benefits to students of completing degrees on time, implementing banded tuition with a flat rate for students taking at least 15 credit hours per semester, and integrating other incentives for on time completion.

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Making Student Loan Payments While Still in School

Although students aren't required to repay federal student loans while attending school, there are major long-term benefits to making payments along the way. Below are some of the potential savings.

Imagine that you borrow a \$10,000 unsubsidized student loan when you begin working on your bachelor's degree, at 3.76 percent interest, and plan to pay it off within 10 years of graduating. Unsubsidized student loans begin accumulating interest immediately. If you wait until after you graduate to begin making payments, your total interest paid over the life of the loan will be \$4,010. That means that the total amount you repay will be \$14,010.

However, if you start making payments right away, you can really reduce that number. One common money-saving option is to pay the interest on your unsubsidized student loan while you're in school, which in the above example would be around \$30 each month. At the end of your 10-year repayment period, you will have paid back \$11,983. That's a savings of \$2,027.

To save money, pay as much as you can on your student loan during school. Even a few dollars here and there will reduce your overall repayment amount in the long run, or you may be able to shorten your repayment period. Calculate your future loan repayments at [ReadySetRepay.org](https://www.readysetrepay.org), and learn more about repayment options while you're there.



Oklahoma's ongoing partnership with CCA and participation in the 15 to Finish campaign will build on the success of more than 120 campus-based initiatives that are currently underway. Our state's CCA goal is to increase the number of degrees and certificates earned in Oklahoma by 67 percent by 2023 to meet our state's workforce needs and keep Oklahoma competitive in a global economy. Oklahoma's five-point plan to increase degree and certificate completion focuses on promoting college readiness, transforming remediation, strengthening pathways to certificates and degrees, expanding adult degree completion efforts, and rewarding performance and completion. Significant progress is being made toward these goals. In the first four years of the CCA initiative, the number of degrees and certificates earned in Oklahoma has increased by 8,462, surpassing the state benchmark of 6,800.

At the national level, CCA is supported by five foundations: the Carnegie Corporation of New York, the Bill and Melinda Gates Foundation, the Ford Foundation, the W.K. Kellogg Foundation and Lumina Foundation for Education.





Home Buying

Crystal Craig, AVP I Sales Manager
Bank of Oklahoma Mortgage

Bank of Oklahoma Mortgage Sales Manager, Crystal Craig, answers our questions about buying a home.

What is the first step to buying a home?

First, talk to a lender to examine your credit worthiness and determine how much you can realistically afford to spend on a home. After you've been pre-qualified, you can begin shopping with a real estate agent. That's the fun part!

What is the difference between a "pre-qualification" and a "pre-approval?"

A "pre-qualification" is based on unverified verbal information provided by the potential home buyer. A "pre-approval" goes a step further; official documents are collected from the borrower and reviewed by an underwriter.

What is the best way to work with a Realtor, and does the buyer pay the Realtors for their services?

The best way to find a Realtor is by asking for referrals from friends, family and trusted professionals. Real estate agents are typically paid by the seller, unless an agreement has been made in writing between the buyer and the agent.

What is the best type of home loan?

The best one-size-fits-all answer is this: look for a first-rate mortgage, without a pre-payment penalty, no balloon note and no negative amortization. My best advice is to seek out a local, reputable lender and schedule a face-to-face appointment to review your loan options. If you have served or currently serve in the military, a Veterans Affairs loan may be your best option. If you have a large down payment, perhaps a conventional loan is the way to go. If you live in a rural community, consider a USDA loan, or possibly a First Time Homebuyers loan would best fit your needs. Talk to your lender to discuss the details of all the loan options available to you to determine which one will best meet your need.

How do you determine your purchase price?

It's a best practice to take the amount you pay in monthly rent and see how much "house" you could buy for that monthly mortgage payment. Then if you feel you could budget more for a monthly payment, increase your purchase price to determine your target price range.

Are there local classes for first time homebuyers?

Yes. I highly recommend taking a homebuyer education class whether this is your first home purchase or fifth. Contact Neighborhood Housing Services (405.231.4663) or Community Action Agency (405.232.0199) for available workshop dates and times.

Are escrow and closing costs the same thing?

Yes and no. Escrow is another word for real estate taxes and homeowners insurance. The escrow account is an account tied to your mortgage loan and is there to help manage the funds needed to pay your real estate taxes and annual insurance premiums. The funds for that account are collected at "closing" along with the actual "closing costs," such as the title fees and appraisal fees.

Are there any programs to help with the down payment?

Quite possibly; have a meaningful discussion with your lender to see what down payment assistance programs may be available to you.



Seasonal Online Gardening Tools

Gardening is a rewarding pastime that can save you money on produce. It does, however, take a little forethought. If you wait for warm weather and sunny days to start your garden, you'll be pretty limited in what you can grow from seed, which is the most cost effective way to garden. Fortunately, there are some fabulous free resources online to help you plan your garden, no matter what climate zone you live in.

– The [Farmer's Almanac](#) website offers a free customizable planting calendar to help you know what to plant and harvest during specific times in your region. This handy calendar indicates when you should “sow indoors” vs. “sow outdoors.” If you're late

to the seed-starting game this year, those plants that are indicated to be sown indoors can be purchased as seedlings and transplanted outdoors once the chart indicates it's safe to “sow outdoors/plant out.” Purchased seedlings aren't quite as cost effective as seeds, but they're still cheaper than weekly trips to the grocery store.

- It's important to know your area's last frost date, and [Dave's Garden](#) has a simple tool that lists the frost dates and what they mean to you based on your Zip Code. This site also includes [forums](#), so you can ask questions and receive feedback from experienced gardeners.
- If you need help planning the layout and spacing of your garden, there are plenty of online “garden planner” tools. Check out this one at [Gardener's Supply](#), designed for small kitchen gardens. If flowers and landscaping are more your style, try [SmallBluePrinter's](#) garden planner.
- Look for websites specific to your region. If you're an Okie, check out [Oklahoma Gardening](#), [Tulsa Master Gardeners](#) and [OSU's Horticulture Fact Sheets](#).

Have a STEM-ulating Summer

If you know a student who is about to enter the eighth through 12th grades, check out the STEM Summer Academies put on by the Student Preparations Office at the Oklahoma State Regents for Higher Education.

Since 1990, the Summer Academies have prepared more than 17,000 students for college by promoting an interest in science, technology, engineering and mathematics (STEM). This summer, students will have an opportunity to participate in 26 free academies on 18 college campuses, with the choice of residential academies that allow the student to live on campus for the duration of the camp, or commuter academies where the student will travel to and from campus.

These programs give prospective college students an opportunity to participate in classes and get a feel for what it's like to live on a college campus. Students will participate in a variety of hands-on learning activities, covering topics such as forensic science, engineering, environmental conservation and more. Outside the classroom, students will experience extra-curricular college life: hanging out in the student lounge, exercising in the fitness center or exploring the surrounding city with fellow students and adult counselors. This immersive experience allows them to figure out if a particular school is a good fit, not just educationally, but socially, as well. Summer Academies help students see that college is a viable option and an attainable goal to be excited about.

Application for the STEM Summer Academies opened March 1, 2017 for all Oklahoma students entering eighth through 12th grades in the fall 2017 semester. This program is free and students are encouraged to apply quickly, as space is limited. View the full list of Academies at OKhighered.org.



SUMMER ACADEMIES



Tax Breaks for College Students

College students and student loan borrowers can get a break on their taxes for paying educational expenses.

Undergraduate students who owe taxes may benefit from the **American Opportunity Tax Credit (AOTC)**. This credit may reduce the student's tax liability to zero, or less than zero. If the credit reduces the tax to less than zero, then 40 percent of the credit may be refunded. The maximum earned with this credit is \$2,500.

The **Lifetime Learning Credit (LLC)** is similar to the AOTC, but extends to those seeking advanced degrees. Undergraduates are eligible too, but cannot claim both credits. There is no year limit and the credit limit is \$2,000.

Students who aren't eligible for the AOTC or the LLC may benefit from the **Tuition and Fees Deduction**. This credit may reduce tax liability up to \$4,000.

The **Student Loan Interest Deduction** allows borrowers with a modified adjusted gross income of \$80,000 (\$160,000 for married filing jointly) to deduct paid student loan interest to reduce their tax liability up to \$2,500.

If you decide to claim these or any other IRS credits or deductions, make sure you:

- receive and submit a 1098-T form provided by your institution or loan servicer.
- ensure no one claims you as a dependent or spouse on another tax return.
- claim qualified educational expenses.

To determine which credit or deduction you may be eligible to claim, visit [irs.gov/uac/am-i-eligible-to-claim-an-education-credit](https://www.irs.gov/uac/am-i-eligible-to-claim-an-education-credit).

On Our MIND

What's on the mind of OCAP staff? This month, multimedia manager, Elizabeth Pressler-Henderson talks about making positive lifestyle changes.



My husband and I began improving our lifestyles and diets a few months ago. Just like every other time we've tried to make healthier choices, we faced hurdles. However, this time we have maintained our positive changes. In retrospect, I can pinpoint factors that contributed to our current success.

- We decided to focus on permanent changes to improve our quality of life, not quick fixes. This perspective has made me feel more committed.
- We didn't choose the latest fad diet or health craze. Instead, we decided on a set of changes that fit our lifestyle and addressed our personal health concerns.
- We did some research before we made changes. Our strategy is more than a list of things to do or eat; now we understand what these changes do for us and why. This information gives every healthy snack or treadmill session more purpose in my mind.
- We clearly defined our goals. Instead of saying something like, "I'll eat fewer carbs," we calculated and set specific ranges for our macronutrients. This strategy really helped us stay accountable until the changes became routine.
- I teamed up with my doctor. This step was an absolute necessity because of pre-existing conditions. She ensured that my plan is compatible with those conditions, and she made recommendations to maximize my nutrition. Having her in my corner makes my unique challenges more manageable, and I love that she cheers me on at every appointment.
- My husband and I are a team. We don't let the other skip a scheduled workout just because "I don't feel like it," and we take turns cooking healthy family dinners.
- We prepare for anticipated hurdles. For example, I sometimes hit snooze once too often and run out of time to make breakfast, so we keep a few healthy grab-and-go options for those rushed mornings.
- We don't beat ourselves up. The occasional indulgence will happen and might even be beneficial. If we have a slice of birthday cake or spend a lazy day on the couch, we appreciate the break and move on with our usual routine.

Gambling: Don't Bet on It

A casual internet search of “should I play the lottery?” yields myriad warnings and statistics expressing the astronomical odds of winning. Apparently you're more likely to be killed by a vending machine, become the president or give birth to identical quadruplets. Even with these clear warnings, many people enjoy gambling and betting on the chance of winning ‘big money.’ If you choose to participate in gambling, experts suggest that you treat it like any other form of entertainment: play responsibly and budget for it. When your budgeted amount is spent, avoid getting cash from the ATM - just walk away.

If you gamble because you hope winning will improve your lifestyle, consider these money-making strategies that promise a far better return on investment.

- For quick cash, consider a ‘side hustle’ like making and selling crafts online, driving for Uber or Lyft, delivering food for Postmates or cleaning or running errands for neighbors.
- Prepare for emergencies by taking the money you would have spent gambling and put it into an interest-bearing savings account that you can dip into when needed. Aim to save at least \$1,000 to take care of unexpected expenses. After your emergency fund is in place, consider stashing some money in a money market account, Individual Retirement Account (IRA) or 401(k) to help you prepare for your long-term goals.

Some financial institutions are taking advantage of the excitement and risk that surrounds gambling by promoting prize-linked savings accounts (PLSAs). A PLSA functions like a normal interest-bearing savings account, but instead of all of the interest going directly back into your account, a portion of every participating account-holder's interest is distributed in large amounts to a few “winners” by lottery. PLSAs are quite popular in other countries, but only a few states in the U.S. currently allow them – Oklahoma is not currently on that list. If you're interested in adding a gaming aspect to your savings efforts, check out SaveUp.com where you can earn credits and win prizes for positive financial behaviors.

At Your Service

Freshman Orientation

Student success is important to your institution, and nothing helps students succeed more than their ability to understand their finances. If you're planning a seminar, presentation, or workshop for your incoming freshmen or transfer students and want personal finance management as a featured topic, look to Oklahoma Money Matters.

OKMM provides free direct services and resources to help your students learn the basics of money management, such as budgeting methods, practical ways to save, managing credit, wisely borrowing student loans, and avoiding identity theft.

Visit our website to access our interactive money management tools, self-paced learning modules, newsletters and podcasts. We also offer train-the-trainer workshops to empower campus staff and student leaders to teach these topics to your student body.

To discuss adding financial education to your freshman orientation program, contact us at 800.970.OKMM (toll free) or OklahomaMoneyMatters@ocap.org



Spring Clean Your Life

When you feel like your life is disorganized and full of clutter, it may cause you to be less productive and live in a crisis or chaotic state. Decluttering and making simple changes to your daily routine can give you a more focused, peaceful state of mind.

Examine your career or life goals. Review your career, life and/or financial goals and make sure you're taking steps to reach them. Evaluate how you spend your time. Are you pursuing activities that push you toward your goals? Do you have a mentor in the field you are pursuing or know someone who has reached the level of success you want to achieve? Distance yourself from toxic influences that discourage your success or affect your focus. Add productive habits into your daily routine, like making a strategic to-do list that incorporates at least one item a day that pushes you toward your overall goals.

Remove clutter. You don't have to go on a week-long cleaning spree. Start by setting a timer and focus on cleaning or organizing the things you can see. Focus on one room at a time and avoid becoming distracted by messes or issues in other parts of your home. Make sure everything has a place: keys, books, toys, shoes, coats, etc. When the timer goes off, you're finished. To maximize your efforts, recruit family or friends. If five people clean for 25 minutes, that's equivalent to more than two hours of cleaning! Repeat these efforts, throughout the house, the car, and your workspace.

Dump the bad, keep the good.
Get rid of items that conjure bad memories or negative emotions.
Get rid of old pictures, perfumes or candles, clothing, or any other items that don't bring you joy.

Purge documents. Consider going paperless to minimize paper clutter and optimize organization. Documents can be kept in digital files and named in a format that best suits your organization style and accessibility needs. Any receipts used for tax itemization purposes should be kept with your tax returns. Contracts can be discarded once the contract period has ended; however, if it's a rental agreement, you may want to keep the contact information for future rental agreement references. Most tax documents and bank statements should be kept for at least three years. If you're not using documents such as credit card or utility statements for tax deductions, you can discard them after paying the bill. Be sure to shred unwanted documents for identity theft prevention and fraud protection purposes. Birth certificates, marriage licenses and death certificates should be kept forever.





Partner News and Events



Personal Finance and Economics Challenge
Tuesday, March 28
9:30 a.m. to 2:30 p.m.
University of Central Oklahoma



Member Meeting:
Wednesday, April 29
11:30 a.m. until 1:00 p.m.
Credit Union House of Oklahoma

For more information,
email Pam Campbell at pam.campbell@kc.frb.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.



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