



Your Bottom Line

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

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Don't Be Fooled by Financial Aid Mistakes

April Fools' Day is a celebration of practical jokes and pranks. Whether you were the tricked or the trickster this year, we want to make sure no one is fooled into making a financial aid mistake!

Check out these common misunderstandings about the [Free Application for Federal Student Aid \(FAFSA\)](#).

We can share a FSA ID. This is false. The FSA ID is used to access, complete and sign the FAFSA application. Both the student and parent are asked to create a FSA ID, which serves as their unique identifier for this process. As such, all applicants are cautioned to keep this information safe and secure. Students and parents must also have a Social Security number in order to set up their ID. Our [FSA ID Worksheet](#) helps you keep track of your username and password, which you'll use anytime you need to access your FAFSA.

My parent doesn't have a Social

Security Number and can't complete the FAFSA. This is a common mistake. Parents who don't have a SSN can complete the FAFSA using all zeros (000-00-0000). When it's time to sign the FAFSA, however, they'll need to print the signature page, sign it manually and mail it to the address provided.

Student marital status. Students will be asked if they're single or married. Even if a student is "in a relationship," or planning to be married before they start college, they should select that they're "single" if they're unmarried on the day they complete their FAFSA.

Registering for Selective Service. If you're a male, as listed on your birth certificate, between the ages of 18 and 26 and you want to receive federal financial aid, you must register for the [Selective Service](#). The FAFSA gives students the option to decline, but keep in

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mind, you won't be eligible for federal financial aid if you refuse to register. Whether or not you're applying for financial aid, registering for Selective Service is required by law for males once they turn 18.

Determining dependency. Dependency status on the FAFSA determines whether a student will be required to provide parental information (dependent) or not (independent) on the form. The FAFSA asks a series of questions to determine a student's dependency, which are shown on our [Dependency Questionnaire](#). If a student is categorized as "dependent," but may be unable to provide parental information due to special circumstances (i.e. incarcerated parents, no contact with parents), they are given the option to skip the parental portion of the FAFSA. In this situation, students are encouraged to contact their college financial aid office to discuss the next step.

Double-check headers. If a student is required to provide parental information, there will be headers on each page of the FAFSA clarifying whose information should be provided. Make sure you always double-check your entries; providing incorrect information lengthens the review and approval time, and all errors must be corrected before financial aid can be awarded.

Tax information. To complete the 2021-2022 FAFSA, you must provide your 2019 tax information. The FAFSA offers an IRS Data Retrieval Tool to simplify transferring tax information to the FAFSA. If you've had a significant income change since that tax filing, contact the financial aid office directly after submitting the FAFSA and explain your situation.

Accepting the financial aid offer. Students don't need to accept the entire financial aid package offered by their college. For example, your aid offer may include a student loan amount higher than is necessary to cover the cost of education for an academic year. If you and your family don't need to borrow the full amount offered, you can accept only a portion or no loans at all.



When it comes to borrowing money for college and beginning the repayment process upon graduation, there are a lot of options to consider and questions to be answered. Ready Set Repay, OCAP's student loan management initiative, offers several resources to help you and your students successfully navigate the entire student loan life cycle.

Repayment Calculator:

Use this calculator to estimate your monthly student loan payments based on the standard 120 payment/10-year repayment plan. This handy tool can also be used to estimate the monthly payment for a car loan, mortgage or other type of consumer loan; simply change the principal amount, interest rate and number of monthly payments.

A screenshot of a web-based "Loan Calculator" tool. It has a title "Loan Calculator*" and a subtitle "Fill in the loan amount* and click 'calculate' to see estimates." The form includes input fields for "Number of monthly payments" (set to 120), "Interest rate" (set to 5.05%), and "Original loan amount (principal)" (set to \$). A blue "Calculate" button is below these fields. Below the button are three output fields: "Your monthly payment estimate", "Your total interest paid", and "Minimum annual salary needed to handle monthly payments".

Repayment Plan Information: Once you've estimated your monthly payment, educate yourself about each type of repayment plan that's available to you. You'll want to ensure you're making the best choice for your budget and unique financial situation.

RSR Rundown Videos: OCAP has developed a new series of helpful videos to assist you in navigating borrowing and repayment. These



videos can now be found on Ready Set Repay's Facebook profile and OCAP's YouTube page.

New topics like repayment options, consolidation vs. refinance and more are featured every month.

No matter where you or your students are in the student loan journey—preparing for college, in a loan grace period or currently repaying a loan - Ready Set Repay provides the information student loan borrowers need to know. Check out all of our resources at ReadySetRepay.org.

An advertisement for "Virtual Money Smart Week". It features a red banner with the word "VIRTUAL" in white, followed by "MONEY SMART WEEK" in large blue and green letters. Below this is a red box with "APRIL 10-17, 2021" in white. To the right is a blue-tinted portrait of Benjamin Franklin. At the bottom, a paragraph of text describes the campaign and provides the website MoneySmartWeek.org.



Investing 101

So, you have your debts paid off, a solid emergency fund and now have a little extra money that'd you'd like to invest? There are several options for investing your money, and it's important to understand each one as you develop a plan.

- Stocks: a share in a company's equity. Buying stock means you have an ownership share in a company and can benefit from the company's profits.
- Bonds: a loan taken out by a company or government that is funded by investors rather than banks. Bonds range in maturity length from one year to decades.
- Certificate of Deposit (CD): a federally insured time deposit, which will pay principal plus interest at maturity. You can't withdraw money from CDs early without a stiff penalty.
- High-Yield Savings Account: a savings account with your local bank that offers higher earned interest rates. These accounts typically require minimum balances and limit annual transactions.

There is no one-size-fits-all option for investing your money. Your investment approach should reflect your budget, your style and your risk tolerance.

- Budget: While you can invest a minimal amount, you could have a higher return with higher investment amounts. Just make sure you're financially stable enough to earmark money for investing.
- Style: If you have time on your hands you can be an active investor, meaning you'll do your own research, analysis and investment strategy development. Novice investors may want to consider hiring a financial adviser.
- Risk: Not all investments are successful, so if you're highly risk averse, consider a lower-risk financial vehicle, like a CD or High-Yield Savings Account, instead of stocks, which may be more volatile as markets shift.

For more information about investing, check out Investor.gov and OklahomaMoneyMatters.org.

On Our MIND

What's on the mind of OCAP staff? This month, staff assistant Andrew Boes talks about going green to save green.



My wife and I welcomed our first child last year, and if you've ever spent time around a baby, you know how wasteful they can be. Disposable diapers, wipes, food containers, tiny socks that don't fit anymore, toys that are no longer entertaining... you catch my drift. Add that to the amount of waste we were already producing and we end up with a pretty hefty environmental impact. In the endeavor to lessen said impact, we've been surprised at how easy it has been. Although I always associated "going green" with spending more money (organic apples cost like \$3 each!), it has actually been a blessing to our savings account.

I think a good start is to eliminate single-use items. Bottled water, paper towels, and face wipes can be replaced by a reusable water bottle, dish towels and washcloths, respectively. Beyond that, we often purchase used items as opposed to new, and sell or donate items we no longer use as opposed to throwing them away or setting them in the attic. No matter what you are trying to buy, take a look at garage or estate sales and online marketplaces. You can often find something at a higher quality and a lower price, and you are saving the energy and raw materials used to create something new. Donate or sell stuff you no longer need at a discount and you are doing a favor to someone else while freeing up space.

There are many ways you can reduce energy usage to lower your bills and save the planet in one fell swoop. Use a fan on warm days and wear a sweater inside on cool days so you don't use as much air conditioning and heat. When you purchase appliances, look for more energy-efficient models - even if they cost a little more, you'll more than make up for the difference with lower utility payments. Same for LED light bulbs - they are more expensive to buy, but don't need to be replaced as often and they use less energy.

Gardening can also save you a pretty penny. Try your hand at growing tomatoes or herbs in your backyard. Buying seeds, dirt, and pots doesn't set you back much, and if you are successful, will save you trips to the grocery store as well as the shipping and energy costs associated with getting tomatoes to the supermarket. Start composting as well, and you can create your own dirt while keeping food scraps and yard clippings out of landfills.

Put in a little research and a little extra work, and you can save a little money while you help save the planet!



Disaster Preparedness

From blizzards to tornado season, severe weather happens everywhere. We're all familiar with storms and their aftermath, especially in the spring; but many of us still need to be reminded how to be better prepared if we find ourselves in the path of 'nature's fury'. Make safety your top priority this season using some of these suggestions.

Make a plan. Involve your whole family in the safety plan, being sure to discuss these five questions:

- How will we receive emergency alerts and warnings? Remember, electronics may not work.
- Where will we go to find shelter?
- What is our evacuation route?
- Where should we meet if we're not all together before the disaster occurs?
- What is our communication plan?

Designate an out-of-state contact that everyone can call if your family is separated during an emergency. You may be more successful calling someone long-distance than trying to reach someone within a disaster area. Visit Ready.gov to download the Family Emergency Communication Plan. Once completed, be sure everyone has a copy.

Consider the needs of everyone in the household.

- Account for the needs of infants, the elderly or disabled members of your household. Round up a ready supply of items necessary for their care, preferably all in one box or suitcase.
- Keep medications and first aid equipment in a designated place that can be accessed quickly by an adult in the household.
- Discuss each person's responsibilities for assisting others, including pets.

Prepare a Disaster Supply Kit

- Include enough supplies to last for at least three days.
- The supplies you'll need will often be the hardest to find in the aftermath of a storm or other disaster. To relieve some of the strain on your checkbook, plan to assemble your kit by purchasing/collecting your items over a few weeks' time.
- Suggestions for kit items can be found at the Oklahoma Department of Emergency Management website and Ready.gov. New this year: Don't forget the masks!

No matter where you live, disaster preparedness can never come soon enough. Start making your plans and building your kits today so you're not caught off-guard.



The Oklahoma College Assistance Program, an operating division of the Oklahoma State Regents for Higher Education, provides college access and financial aid awareness, financial literacy and student loan management programs and services that benefit students, parents, schools and community partners.

