

Part 1 – ~~app~~

Directions: please answer the following questions WITHOUT using the app.

1. What is your yearly cost of tuition? (excluding fees) \$ _____

Feel free to use the following chart to help you:

[SCHOOL NAME] TUITION RATES (as of [Season] [Year])		Full Time 12-18 credits/ equated credits	Part-Time
Residents of New York City who are:			
Matriculated Students		\$2400 per semester	\$210 per credit
Non-Matriculated Students		\$265 per credit	\$265 per credit
Non-Residents of New York City who are:			
Residents of New York State with B-81 on file		\$2400 per semester	\$210 per credit
Residents of New York State without B-81 on file		\$320 per credit	\$320 per credit
Out-of-State Residents		\$320 per credit	\$320 per credit
International Students		\$320 per credit	\$320 per credit
Non-Matriculated Students		\$420 per credit	\$420 per credit

Source: [URL, tailor the chart too]

“Matriculated” means to be enrolled in a degree program.

“B-81” is a Certificate of Residence.

Assume you borrow money from the government to pay for your degree. Six months after you graduate college, you will be required to start paying the government back monthly.

2. How much money can you afford to pay back each month? \$ _____

A reasonable guess is fine.

3. How long will it take to pay the government back? (**excluding** interest)

_____ year(s) _____ month(s)

Examples:

$$5,000 \div 200 = 25 \text{ months} \quad 25 = \underline{2} \text{ years } \underline{1} \text{ month}$$

$$7,650 \div 250 = 30.6 \text{ months} \quad \uparrow 31 = \underline{2} \text{ years } \underline{7} \text{ months}$$

$$3,132 \div 300 = 10.44 \text{ months} \quad \uparrow 11 = \underline{11} \text{ months}$$

Part 2 – app^v

Directions: please answer the following questions USING the app.

4. How long will it take to pay the government back? (**including** interest)

Ignore savings, for now.

_____ % _____ year(s) _____ month(s)

Tips to help you get started:

❖ Move the thumb of the slider, to select an estimated cost nearest to yours.

❖ Press to select the interest rate of your loan.

If you have more than one type of loan or you have multiple loans, select the rate for the biggest one.

If you are unsure about your rate, choose 4.53% since Direct Loans are more common.

❖ Press or to select a monthly payment nearest to yours.

❖ To edit the slider, interest rate or monthly payment, press the padlock icon. After editing them, relock.

5. Compared to #3, is your result for #4 reasonable? Why or why not?

(yes/no) _____

(explain) _____

Feel free to consult a partner.

6. Increase your monthly payment gradually. How much *should* you pay monthly, so that your repayment does not take so long?

Many answers are possible.

A single amount, or range of amounts, is fine.

\$ _____

If you ever struggle to make payments, you can contact your lenders and negotiate with them.

Bonus Questions – app^v

Directions: please answer the following questions USING the app.

Questions 7 through 8 reinforce question 6.

7. Reduce your monthly payment to the minimum. From the minimum, press once. How much money can you save?

*To see how the app calculates savings, press the padlock icon;
enable the ability to swipe; and swipe leftward.*

\$ _____

8. Press some more times. Does paying *a lot* more make much difference? (yes/no) _____

Hint: the difference in savings will decrease exponentially. Observe the bottom-right number.

Press the padlock icon, and change the minimum to absolute. Press the icon to relock it.

**Note: The 10-year minimum is the minimum for repaying student loans within ten years,
NOT for repaying student loans for at least ten years.**

9. Reduce your monthly payment to the absolute minimum. Look at how long it will take to pay the government back. Do you see why lenders set time limits, typically 10 years?

(yes/no) _____

10. Repeat #7 and #8. How much money can you save? Does paying *a lot* more make much difference?

\$ _____ (yes/no) _____

11. How would you answer #6, now? (Would you pay more?)

(yes/no) _____

Press the padlock icon; enable the ability to swipe; and swipe leftward.

12. Reduce your monthly payment to the absolute minimum, again. Pay less interest each month. In other words, pay more principal. Do you save any money? Why or why not?

(yes/no) _____

(explain) _____

Press and hold monthly balance numbers, to magnify them. Click on ⓘ for a breakdown of each payment.

13. Repeat #12, but compound the interest. Do you save any money? Less or more money?

(yes/no) _____

(explain) _____

14. Knowing, overall, how interest affects your ability to pay the government back, how would you answer #6 now? (Would you pay more?)

(yes/no) _____

Question 15 is asked purely to provoke discussion.

15. Do you save any money, if you pay more than the minimum but are not charged interest?

Return to the main screen, and turn the APR switch off.

(yes/no) _____