

# Discussion (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:*

BMCC TUITION RATES (as of Fall 2015)	Full Time 12-18 credits/ equated credits	Part-Time
<b>Residents of New York City who are:</b>		
Matriculated Students	\$2400 per semester	\$210 per credit
Non-Matriculated Students	\$265 per credit	\$265 per credit
<b>Non-Residents of New York City who are:</b>		
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:** [www.bmcc.cuny.edu/bursar](http://www.bmcc.cuny.edu/bursar) > Tuition & Fees Per Semester

*"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:*

$5,000 \div 200 = 25 \text{ months} = \underline{2} \text{ year(s)} \underline{1} \text{ month(s)}$

$7,650 \div 250 = 30.6 \text{ months} \uparrow 31 \text{ months} = \underline{2} \text{ year(s)} \underline{7} \text{ month(s)}$

$3,132 \div 300 = 10.44 \text{ months} \uparrow 11 \text{ months} = \underline{0} \text{ year(s)} \underline{11} \text{ month(s)}$

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## Discussion (Part 2) – app<sup>v</sup>

**Directions: please answer the following questions USING the app.**

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

\_\_\_\_\_ % interest    \_\_\_\_\_ year(s)    \_\_\_\_\_ month(s)

*Tips to help you get started:*

- ❖ Move the thumb of the slider/seekbar to select an estimated cost nearest to yours.
- ❖ Press  to select the interest rate of your loan:  
If you are unsure, choose 3.76%, since direct loans are more popular.  
If you have more than one type of loan or you have multiple loans, select the rate for the biggest one.
- ❖ Press  or  to select a monthly payment nearest to yours.

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

(yes/no) \_\_\_\_\_

(explain) \_\_\_\_\_

*Feel free to swipe left to see how the app calculates its numbers, and 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.*

7. Reduce your monthly payment to the minimum, and 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) \_\_\_\_\_

8. From the minimum payment, press  once. How much money can you save?    \$ \_\_\_\_\_

9. Press  some more times. Does paying *a lot more* make much difference?    (yes/no) \_\_\_\_\_

*Hint: law of diminished returns.*