

CCOMMON CENTS

YOUR FINANCIAL LITERACY NEWSLETTER

What do I need to Know?

All Students:

All CCOM students are required to have health insurance. If you have alternative coverage then submit your proof of insurance on MyUI by Sept. 9 or you will be automatically enrolled into the University's basic insurance plan (SHIP) and charged \$275 per month.

M1, M2, M3, PA1, PA2 students

The first day that you can file your 2021-22 FAFSA will be October 1. Put this date on your calendar to remind yourself to file the FAFSA. (reminder- the priority deadline to be considered for need based grants is December 1, 2020)

Spring 2021 Loan Disbursement Dates

M2 & PA2 students: January 6
All other students: January 13

M4 students

Good news! Dr. Scott Truhlar will be teaching *Financial Management for Rising Interns* again this spring. Seats are limited, so sign up soon.



Financial Services Office Hours:
Monday - Friday 7:30 - 5:00
Please stop by 1216 MERF if you have any financial or debt management questions!

A Smart Alternative to Returning Unused Loans

Student Loan Interest Rates are the lowest that we have seen in over a decade! Unsubsidized Loans are currently set at 4.3% and PLUS loans are at 5.3% for the 2020-21 school year. These low interest rates give students even more opportunity to reduce their overall loan repayment. Normally we encourage students to return unused loans within 120 days of disbursement so that the interest can also be cancelled on those loans. But this year, you have another possibility—you can use your unused loans from this year to pay down your higher interest loans from previous years of MD/PA School. The PLUS loan from 20-21 has a lower interest rate than the unsubsidized loans from the last three years, so this will save you a great deal of money in extra interest.

In order to pay off those loans with higher interest rates, you will need to contact your lender. (We can help you if you don't know who your lender is) It is usually very easy to pay off the loans with the highest interest rates on your lender's website. Payments will be applied to any outstanding interest on the loan first, but the rest of the payment will be applied towards the principal of the loan. So this is a great way to reduce the amount of your higher interest loans and maximize your loans with the lower interest loans. If you are interested in this option, but you already reduced your loans for the year—you can just send us an email and we can reinstate those loans. (just don't forget to apply those loans towards your loans from earlier years!)

	UNSUB LOANS	PLUS LOANS
2020-21	4.3%	5.3%
2019-20	6.08%	7.08%
2018-19	6.6%	7.6%
2017-18	6.0%	7.0%

Budgeting During a Pandemic

Times have really changed since the threat of COVID19 entered our lives. Social distancing and local regulations have made it difficult to get out and do anything. One would think that this would end up saving students money since they can't go on vacation, see a movie, or enjoy a ballgame. But some students are spending more now than they were before. Here are some tips to help you manage your budget during this pandemic:

- Limit the amount that you are spending on take-out food. In response to social distancing concerns, many restaurants are offering take-out food. It is very convenient to place an order, stop by to pick it up, and eat the food in the comfort your home. You may be doing an excellent job of social distancing, but this can be extremely habit forming and that leads to increased spending over time. Eating take-out food on a regular basis is not cheap!
- Watch your online spending. When you are self-isolating at home, it is easy to get carried away and shop online. (What else is there to do, right?) Before your purchase things, be sure to ask yourself if this is something that you NEED or something that you WANT.
- Take advantage of free trials for streaming services. Monthly fees for these services can really add up over time, but many of these services offer a free trial period. (just don't forget to cancel the membership before the trial period expires)
- Now more than ever, it is important to keep a budget. Don't forget to include money for essential supplies like hand sanitizer, soap, Clorox Wipes, etc.
- Look for cheap (preferably free!) entertainment whenever possible. Borrow books from friends, put a puzzle together (and exchange it with a friend when you are done with it!), and don't forget—going for a walk is good exercise and it doesn't cost you anything!

As always, the key is to look for cheap alternatives and avoid increasing your monthly spending.

Do you have a financial literacy topic that you would like to see discussed upcoming issue? Send your suggestions to chris-roling@uiowa.edu.