and taking classes at another institution. Fredonia (the home institution) requires that the student complete the following steps before aid can be disbursed for classes taken at the visited college, e.g., the host institution:

- Apply for all financial aid at Fredonia by completing the FAFSA and TAP application.
- Complete the Visiting Student Consortium Agreement (Part 1) and submit it to the Financial Aid Office at the host institution.
- Complete Fredonia's Transfer Credit Approval form and submit it to the Registrar for approval. Be sure to check the box on this form to have a copy forwarded to the Financial Aid Office.
- Request verification of enrollment from the host institution and submit it to the Financial Aid Office at Fredonia.

Direct loan consolidation

There may be advantages to consolidating (combining) your Federal student loans into one loan, starting with the convenience of making a single monthly payment. Consolidation generally extends the repayment period, resulting in a lower monthly payment. This may make it easier for you to repay your loans. However, you will pay more interest if you extend your repayment period through consolidation. Contact the Direct Loan Consolidation Center for more information about loan consolidation at **1-800-557-7392**. or visit the web at https://studentaid.ed.gov/sa/repay-loans/consolidation.

Financial literacy

Managing your credit

Each of us has goals and dreams for our future, our lives and ourselves. One item that can make achieving our goals and dreams easier is being an educated consumer about credit and having good credit. How can this knowledge be helpful for a student? Knowing your debt or debt load, your credit score (FICO®), and managing your credit can assist with various new chapters in your life after graduation such as buying a car, purchasing a home, getting married or planning to have a child.

Debt load

What is debt load?

Debt load is a term that is used to describe a consumer's amount of debt. It is often used to understand if you are carrying a "safe" amount of credit. Creditors look at a debt/income ratio, comparing your income with your outgo to analyze whether you have too much debt. The debt/income ratio is figured monthly and reveals either how good or bad your financial picture is on a day-to-day basis.

You can figure this ratio for yourself. Add all of your non-housing monthly payments, except for your utilities and taxes. Then compare that total with your total gross annual wages divided by 12. If you don't have fixed monthly payments on revolving debts such as credit cards, you can estimate your monthly payments at 4% of the total amount you owe. When you divide your monthly debt payments by your total monthly income, you will get your monthly non-housing debt/income ratio. It is usually expressed as a percentage, so move the decimal point two places to the right.

Example:

-Gross monthly income is $2,000

-Monthly debt is $500 (credit card payments, gasoline bills and car payments, student loans)

-$500/$2,000 = 25%

-Your debt/income ratio is 25%

Rule of thumb

If your non-housing debt is 10% or less, you're in great financial fitness. If your non-housing debt is between 10%-20%, then you'll probably be able to get credit, but as you approach 20%, you're getting too high!

There have been many attempts to devise formulas for setting limits on the amount of real estate debt one should carry. One rule of thumb is 2 (or 2½ to 3) times your annual income. If the annual household income is $70,000, a mortgage company might loan up to $210,000, provided the house is worth the money and the other credit factors are satisfactory. However, be careful. Just because a lender may be willing to extend credit doesn't mean that you should necessarily borrow that amount. You should also factor in your own specific fixed and variable expenses to determine your own ability to pay. How much you spend on real estate may depend on what area of the country you live in. Remember, if you're high on the real estate debt, you may want to be lower on the debt/income ratio to compensate.

Card options

Credit cards vs. debit cards

Deciding when to use your debit card and when to use your credit card isn't a frivolous decision. A credit card is a "buy-now, pay-later" tool. A debit card is a "buy-now, pay-now" tool. Both cards can play major roles in your money-management plan.

A debit card is linked to your checking and/or savings accounts – in banking terms, deposit accounts. When you use a debit card, money is subtracted from your deposit account, generally a checking account. In contrast, a credit card is an unsecured loan that a financial institution provides to you as a payment convenience. Using a credit card means that you intend to repay the amount – plus interest if you do not repay the balance in full each month.