



New York State Comptroller Thomas P. DiNapoli

Your Financial Future: Tips for College Students

1) Avoid Credit Card Overload. Opening multiple credit accounts could hurt your credit score and adds temptation to spend beyond your means.

2) Overdraft Fees: Today's Debtor's Prison.

Overdrawing your account used to land you in debtor's prison. Today, it saddles you with fees as high as \$39 per occurrence *per day*. So monitor your accounts carefully to avoid being imprisoned by fees.

3) Cash Advance = Debt Advance. Cash advance fees (3% on average) and interest charges (20% on average) are higher than for other types of credit card transactions. Also, credit card companies routinely apply payments to the portion of your balance with lower interest rates first meaning cash advance balances are paid off later; greatly increasing the total amount you owe.

4) Cell Phones: Your Path to Increased Borrowing Costs. Cell phone companies report your account information to credit reporting bureaus. Since payment history makes up 35% of your credit score, a few missed payments can really lower your score and raise your borrowing costs.

5) Don't Pay for Scholarships. College costs are high, making scholarships a key to financial survival. If an organization wants to award you a scholarship, they shouldn't need your credit card or bank account information to do so. Also, it takes time and effort to fill out scholarship applications, so if a company claims it can do everything for you – for a fee (of course) – be sure to ask them exactly what you're getting for your money.

6) Watch Out For Fake Check Scams. Finding a roommate is a great way to cut costs, but be careful if you're told the "roommate" is away and will send a check to hold the spot. In this scam, the fraudster sends a check for more than the security deposit and asks you to refund the difference. If the check is a fake, you will lose the money you refunded and the full amount of the check, since the bank will deduct the amount that had been credited to your account.



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