

9) Contracts & Big Purchases

9 a) Cell Phone Contracts 101

The System "Access Fee"

- Most carriers will charge a system access fee each month. Usually, this cost is not included in the advertised fee for the plan. Ask what it is before you agree to a plan.
- To attract customers, companies advertise a lower plan fee, and then tack on the system access fee once you have signed on.

Cellphone Quality

- Long term cellphone contracts usually come with a cool looking free or inexpensive phone.

Tip!

When Signing a Contract:

- Always read the carrier's terms and conditions carefully before signing up. Read the small print.
- Sign up for the shortest contract, even if it means paying more for the phone, because it provides the fastest way out if you don't like the service.
- Take advantage of trial periods and assess the service carefully. You will have to pay for the calls you make and you may not be able to return the phone for a full refund.
- Protect your phone, ask for a case.

- A free phone is not equal to good phone service or a good quality phone.
- Do research to see which phone provides the best audio quality and will last.

You talked for a second but paid for a minute!

Tips!

- Consider cheaper alternatives for long distance calls, like using a landline phone (most plans offer savings during off peak hours) or a calling card.
- Typical calling plans focus on the total number of minutes you get.
- Know what time of the day your charges change or are free.
- Be aware of roaming charges if you are outside your area and the call will cost A LOT more.

Look into the details - where and when those minutes apply and where you face extra charge

Tip!

- Check out "per second billing" option.
- You may be able to save up to 40%.
- **NEGOTIATE, NEGOTIATE!**



9 b) Student Loans

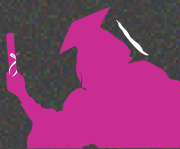
Student loans are granted by the government

Benefits of a Student Loan	Risks of a Student Loan
<ul style="list-style-type: none">• It allows you to borrow money to go to school.• The government pays the interest on your loan while you are studying full time.• You repay the loan and the interest once you stop being a full time student.	<ul style="list-style-type: none">• It is a loan and therefore has to be paid back.• You may end up with large debts by the time you finish school.• This may delay other plans, such as travelling or becoming completely independent.

The process

- In BC, the federal and provincial governments provide student loans through the Canada Student Loans Program.
- You will apply to the provincial government for both federal and provincial student loans.
- Their office will determine your eligibility, process your loan application, assess your financial need and send you loan documents.

- They will let you know how much you will receive in loans and grants.
- Although you apply for provincial and federal student loans together, they are actually two separate loans and you have to repay them separately.
- You probably don't want to start repaying your loan while you are still a student, contact National Student Loans Service Centre (NSLSC) and the provincial loan office each year to ensure to keep your "student" status.
- BC government may provide up to 40% of your loans.
- The federal government will provide up to a maximum of 60% of your loan.



Applying for loans and keeping student status can be complicated. Ask for help from your school's financial aid office whenever you need it.

Contact Information

National Student Loans Service Centre

Public Institutions Division

P.O. Box 4030

Mississauga, ON L5A 4M4

Toll free Tel: 1.888.815.4514 (within North America)

TTY: 1.888.815.4556

Website: www.canlearn.ca/eng/index.shtml

Student Aid British Columbia

Advanced Education, Training and Technology

PO Box 9173 Station Provincial Government

Victoria, BC V8W 9H7

Toll free Tel: 1.800.561.1818

Tel: 250.387.6100

Website: www.studentaidbc.ca

A voice response unit is available 24 hours a day, seven days a week. You will need to know your Social Insurance Number and loan application number.

You apply for federal and provincial student loans all in one place - on the Student Aid BC website.

Types of Student Financial Assistance

1. Federal student loans (Canada Student Loans).
2. Provincial student loans (for full time students only).
3. Canada Study Grants (for students with disabilities, students with dependants, high need part time students, and women in certain doctoral studies).
5. Provincial grants and bursaries.

Things to remember...

If you receive a loan, then:

- Report changes in your address, name, marital status, financial status or student status (withdrawal, transfer to part time studies or change of school) to the NSLSC and to your provincial student assistance office. This will ensure that your loans are in good standing at all times.
- You must apply for student loans each year.
- You should keep track of how much you borrow. Like other types of loans, a student loan must be repaid over a period of time, with interest, so you don't want to borrow more than you can afford to pay back.

Things to remember...continued

If you receive a loan, then:

- You must give NSLSC proof of enrolment for each study period in which you are enrolled, even if you are not applying for a new student loan. This way your loans will be interest free while you are studying.
- After you finish your program, contact NSLSC to set up your repayment schedule. You must repay your loan whether you graduate or not.
- Try not to rely on student loans as the only source of money to pay for school. Think about working part time and saving first.
- Look for grants, scholarships and bursaries.
- Ask your employer if they will contribute to your education.

National
Student
Loan
Service
Centre

9 c) Buying a Car

1. Know your goals

- Buy a car that fits your needs. Consider fuel efficiency, cost, size and insurance cost.

2. Do your research

- Check warranties.
- Check replacement part costs.
- Check resale value of the car. A good resale value means that you will get a good price if you sell that car later.
- Visit different dealers.
- Always negotiate!

3. Can you afford it?

- Know your budget.
- Include the cost of car insurance, repairs and gas with the cost of buying a car.

- Often these can add up to \$300 or more per month. Your car insurance cost will depend on your age, driving history, car model, etc.
- Call several insurance companies for an insurance quote.

4. Determine what you want

- “Extras” such as air conditioning, tinted windows, or a sporty look are nice to have but cost a lot!
- Think about the cost of a cool looking car.
- Ask yourself if it is worth the cost.

5. Buying a used car

- Have a mechanic that you trust look it over. A great mechanic can find hidden problems and save you more.