The Personal Perspective

Personal Finance Issues You Need to Know

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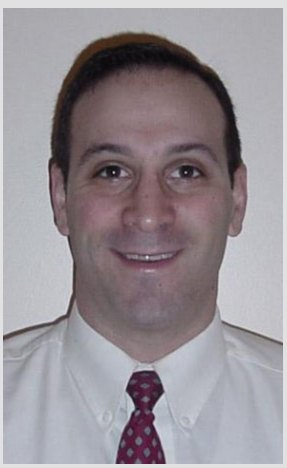

Evan Gilder, President and Founder of Redlig Financial Services, has spent over 15 years in the banking and financial services industry and possesses a wealth of knowledge on the topic of personal finance.

Student Loan Tips

Due to the rising costs of higher education, more than 80% of college students utilize some form of financial aid to help pay for college. Student loans are by far one of the more common financial sources that students obtain. But what most students are not aware of is what happens after they graduate.

The trick is to consolidate and refinance your federal student loans, which fixes the interest rate at the lowest possible level. Furthermore, if you perform the refinancing during the six-month grace period between graduation and when your first loan payment comes due, you earn an extra discount of 0.6 of a percentage point. Besides keeping the interest rate low, you also have an option of extending the repayment period to free up more cash for living expenses such as rent. And you get the convenience of making one payment per month, instead of several. According to Collegiate Funding Services, one of the largest student lenders, more than half of recent graduates are unaware that they can consolidate.

You do not need a credit check or collateral to consolidate. Anyone who is out of school or attending classes on a part-time basis can qualify. Even students currently enrolled full-time in school holding student loans may qualify.

If you've consolidated once, you cannot do it again unless you have at least one federal student loan outside of this debt. However, there is a way around this restriction. If you plan to borrow for graduate school, you can consolidate your undergraduate loans during their grace period and defer payment on the combined loan once you return to graduate school. That leaves you the option of consolidating any graduate school loans down the road.

Considerations

A word of caution is necessary here. Congress never intended for the consolidation program to turn into a vehicle for refinancing variable-rate student loans at a low fixed rate. Some lawmakers have argued that the existing setup subsidizes graduates who are already in the work force at the expense of current students. Congress will likely change the system but not before 2005.

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Auto Insurance Tips

One of the most frequently asked questions that I get regarding auto insurance is When should I drop collision and comprehensive insurance on my auto policy? In order to answer this question, you need to obtain two pieces of information.

1. How much is the collision and comprehensive component of your auto insurance policy.
2. How much your vehicle is worth.

The collision and comprehensive component is itemized on your detailed auto policy. The market value of your car is much harder to assess. Logging on to Kelley Blue Book (www.kbb.cm) can give you an approximate value of your car.

With this information, you should consider dropping coverage when your car is worth less than ten times your annual premium.

If you are close to this, you should consider raising your deductible to, say, $1,000. That can slash your premium, but still protect you financially.

Redlig Financial Services specializes in the field of Daily Money Management and Financial Organization. Daily Money Managers help individuals and families with their personal financial paperwork. This may include bill paying, checkbook balancing, filing, organizing and budgeting, as well as submitting and tracking medical insurance claims.

Financial Organization expands upon the service of Daily Money Management to include all aspects of financial tracking. Using custom built software leveraging OFX technology, we can quickly and easily consolidate the disparate financial data from all of those monthly statements our clients receive in the mail and present them in either Microsoft Money® or Intuit Quicken® Personal Finance software.

Convert your financial chores from frustration to information.

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