INVEST IN U
A STUDENT JOURNEY WITH AN INCOME SHARE AGREEMENT

ACCEPPTS ISA
Olivia, a senior Economics major, signs a $5,000 ISA contract for her last year.
March 2019

BEGINS WORKING
Olivia starts her job as a financial analyst with a salary of $45,000.
July 2020

OLIVIA’S ISA TERMS
- $5,000 ISA to complete college degree
- 2.85% Income Share
- 57 Monthly Required Payments
- 2x ($10,000) Payment Cap

INCOME CHANGES
Olivia’s income may fluctuate with raises or job changes. Her monthly payments adjust with her income because her payments are always calculated as 2.85% of her earned monthly income.

PAYMENT TERM

May 2020
GRADUATES
Olivia graduates and has interviews lined up. She does not need to start making payments for 6 months, when her grace period ends (December 2020).

January 2021
PAYMENTS BEGIN
Olivia’s grace period ends and she begins making payments of 2.85% of her monthly income.

Monthly income: $45,000/12 = $3,750
Monthly ISA payment = 2.85% x $3,750 = $107

PAYMENTS COMPLETE
In 2025, Olivia will make her 57th and final payment, and this ends her ISA obligation.

September 2025
HERE’S HOW OLIVIA’S ISA PAYMENTS ARE CALCULATED EACH MONTH

<table>
<thead>
<tr>
<th>Year</th>
<th>Olivia’s annual income</th>
<th>Olivia’s monthly income₁</th>
<th>Income share₂</th>
<th>Olivia’s monthly payment₃</th>
<th>Amount paid for the year₄</th>
<th>Total payments toward ISA obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$45,000</td>
<td>$3,750</td>
<td>2.85%</td>
<td>$107</td>
<td>$1,283 (12 months)</td>
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</tr>
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<td>$45,000</td>
<td>$3,750</td>
<td>2.85%</td>
<td>$107</td>
<td>$1,283 (12 months)</td>
<td>$2,565</td>
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<tr>
<td>2023</td>
<td>$47,000</td>
<td>$3,916</td>
<td>2.85%</td>
<td>$112</td>
<td>$1,339 (12 months)</td>
<td>$3,904</td>
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<td>2024</td>
<td>$47,000</td>
<td>$3,916</td>
<td>2.85%</td>
<td>$112</td>
<td>$1,339 (12 months)</td>
<td>$5,244</td>
</tr>
<tr>
<td>2025</td>
<td>$48,000</td>
<td>$4,000</td>
<td>2.85%</td>
<td>$114</td>
<td>$1,368 (9 months)</td>
<td>$6,612</td>
</tr>
</tbody>
</table>

₁Olivia’s monthly income = her annual income/12
₂The income share percentage never changes
₃Olivia’s monthly payment = income share x monthly income
₄Amount paid for the year = # of monthly payments x monthly payment amount

Olivia’s payments fluctuate with her earnings. If Olivia’s income drops below the minimum income threshold of $20,000 ($1,667 monthly income), her payments will pause and there is no interest accrued or fee imposed.

WHAT IF OLIVIA USED A LOAN FOR THIS TUITION?

Olivia’s payments would likely remain constant each month, regardless of income.

Her obligation would be to pay a specific principal value ($5,000) plus interest as specified in her loan.

There is likely no cap on her payments or the length of the obligation.

Total payments would depend on the specific terms of the loan.