INVEST IN U
A STUDENT JOURNEY WITH AN INCOME SHARE AGREEMENT

ACCEPTS ISA
Olivia, a senior Economics major, signs a $5,000 ISA contract for her last year.
March 2020

BEGINS WORKING
Olivia starts her job as a financial analyst with a salary of $45,000.
July 2021

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 1.98% of her earned monthly income.

OLIVIA’S ISA TERMS
- $5,000 ISA to complete college degree
- 1.98% Income Share
- 91 Monthly Required Payments
- 2x ($10,000) Payment Cap

OLIVIA’S ISA TERMS

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 2021).
May 2021

PAYMENTS BEGIN
Olivia’s grace period ends and she begins making payments of 1.98% of her monthly income.
January 2022

Monthly income: $45,000/12 = $3,750
Monthly ISA payment = 1.98% x $3,750 = $74

PAYMENTS COMPLETE
In July 2027, Olivia would make her 91st and final payment. This ends her ISA obligation.
September 2027
HERE’S HOW OLIVIA’S ISA PAYMENTS ARE CALCULATED EACH MONTH

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Income</th>
<th>Monthly Income</th>
<th>Income Share</th>
<th>Monthly Payment</th>
<th>Total Payments this Year</th>
<th>Amount Paid for Year</th>
<th>Total Payments toward ISA Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$45,000</td>
<td>$3,750</td>
<td>1.98%</td>
<td>$74</td>
<td>12</td>
<td>$891</td>
<td>$891</td>
</tr>
<tr>
<td>2021</td>
<td>$45,000</td>
<td>$3,750</td>
<td>1.98%</td>
<td>$74</td>
<td>12</td>
<td>$891</td>
<td>$1,782</td>
</tr>
<tr>
<td>2022</td>
<td>$47,000</td>
<td>$3,917</td>
<td>1.98%</td>
<td>$78</td>
<td>12</td>
<td>$931</td>
<td>$2,713</td>
</tr>
<tr>
<td>2023</td>
<td>$47,000</td>
<td>$3,917</td>
<td>1.98%</td>
<td>$78</td>
<td>12</td>
<td>$931</td>
<td>$3,643</td>
</tr>
<tr>
<td>2024</td>
<td>$48,000</td>
<td>$4,000</td>
<td>1.98%</td>
<td>$79</td>
<td>12</td>
<td>$950</td>
<td>$4,594</td>
</tr>
<tr>
<td>2025</td>
<td>$48,000</td>
<td>$4,000</td>
<td>1.98%</td>
<td>$79</td>
<td>12</td>
<td>$950</td>
<td>$5,544</td>
</tr>
<tr>
<td>2026</td>
<td>$50,000</td>
<td>$4,167</td>
<td>1.98%</td>
<td>$83</td>
<td>12</td>
<td>$990</td>
<td>$6,534</td>
</tr>
<tr>
<td>2027</td>
<td>$50,000</td>
<td>$4,167</td>
<td>1.98%</td>
<td>$83</td>
<td>7</td>
<td>$578</td>
<td>$7,112</td>
</tr>
</tbody>
</table>

Olivia’s monthly income = her annual income/12

The income share percentage never changes

Olivia’s monthly payment = income share x monthly income

Amount paid for year = # of monthly payments x monthly payment amount

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.

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.