

# New app helps users reduce student debt

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A recent college graduate has come up with a new way to help himself and others carrying student debt to reduce their loans faster.

Phil Osolinski has founded Ryze Rewards, an app that provides benefits to users who shop at particular retailers. That money then can be applied to a user's [student debt](#).

"Basically, the idea came from graduating with a bunch of student loans," said Osolinski, 25, who graduated from Olentangy Liberty High School in Powell, Ohio, in 2012.

After graduating from Butler University in Indianapolis in 2015 with a degree in finance and entrepreneurship and loans of nearly \$100,000, he joined M/I Homes, but he knew he also wanted to start a business.

So he moved back in with his parents, where he runs the business from their den in Powell.

Ryze links a user's credit or [debit card](#) with about 150 national and local retailers.

Those retailers include American Eagle, Columbia and Brooks Brothers, where a young adult might go to start building a wardrobe, Osolinski said. Other retailers include those where someone would buy items used in setting up a first apartment.

Osolinski said the business focuses on places where people already shop.

"It would be great to get extra cash back on normal purchases to pay down student loans," he said.

The amount varies, but the typical percentage is 8% to 10%. The maximum is 17%.

Rewards accumulate in the user's account, and then Ryze transfers them to the company servicing the student loan, he said.

Student loan [debt](#) currently stands at \$1.5 trillion, according to the New York Federal Reserve.

The average [student](#) who borrowed money and graduated in 2018 took out loans of \$29,800, according to Student Loan Hero.

Debt is so high that borrowers say the payments have reduced their ability to save money or accumulate enough to buy a house.

A borrower who owes about \$40,000 in college debt might save thousands of dollars in interest on that debt over time with the app, Osolinski said. Or, it could allow a borrower to refinance the debt at a lower rate.

The Ryze app is one of several that have been introduced in recent years to help borrowers pay off debt more quickly.

Most, such as the Fifth Third Bank app, Fifth Third Momentum, round up purchases made with credit or debit cards to the next dollar and then apply that savings to the debt.

Bankrate.com senior economic analyst Mark Hamrick says such tools can be helpful to consumers.

"I'm a big fan of decisions of the individual to make both savings and paying down debt a higher priority," Hamrick said. "If it compels consumers to achieve these goals, that can be a good thing."

The concern in the case of Ryze is that individuals could spend more money at a retailer than necessary just to get the reward, he said. That wouldn't benefit a consumer.

The app launched in September and so far has drawn about 300 users, along with the retailers.

"A lot of companies are looking for ways to do something," Osolinski

said.

The name of the app comes from the goal of Osolinski and company co-founder Tom Fortunato: to help people retire their debt.

"It's the aspiration we have for our company and the people we want to serve," he said.

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