

Building Your Financial House

Set the Foundation of Your Future



Module 7 Borrow to Grow Participant Guide

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Self-Assessment and Track Your Progress

ID _____

Congratulations! You are on your way to Building Your Financial House! Use this form to identify key ideas, practices, and the progress you have made to **Borrow to Grow.**

<p>Current Practices <i>(check all that apply)</i></p> <p><input type="checkbox"/> I usually pay bills on time. <input type="checkbox"/> I know the total amount of debt I currently owe.</p> <p><input type="checkbox"/> I look at the total cost of credit before borrowing. <input type="checkbox"/> I know the percentage (%) of my gross monthly income that goes to credit payments.</p> <p><input type="checkbox"/> I usually pay more than the minimum payment on my credit cards. <input type="checkbox"/> I have ordered my free credit reports within the past year and reviewed them for errors.</p>	
<p>Post-Session Progress</p> <p><input type="checkbox"/> I set a goal to <i>borrow to grow</i>.</p> <p>I want to _____ by: <i>(when)</i> _____</p> <p>because: <i>(impact)</i> _____</p> <p>I need to: <i>(how)</i> _____</p> <p>My roadblocks are: <i>(if any)</i> _____</p> <p>which I can overcome by: <i>(how)</i> _____</p>	
<p>Worksheets <i>(check if completed)</i></p> <p><input type="checkbox"/> Credit Myths and Facts <i>(page 5)</i></p> <p><input type="checkbox"/> Credit or No Credit <i>(page 16)</i></p> <p><input type="checkbox"/> Credit: How to Use It <i>(page 22)</i></p> <p><input type="checkbox"/> Know When to Say 'When' <i>(page 23)</i></p> <p><input type="checkbox"/> My Credit Practices <i>(page 25)</i></p> <p><input type="checkbox"/> Dissecting Your Debt <i>(page 26)</i></p> <p><input type="checkbox"/> Other Types of "Credit" <i>(page 29)</i></p>	<p>Actions Taken <i>(check all that apply)</i></p> <p><input type="checkbox"/> I reviewed terms/cost of my open credit accounts.</p> <p><input type="checkbox"/> I ordered/reviewed my free credit report(s).</p> <p><input type="checkbox"/> I made a plan to repay debt and/or overdue bills.</p> <p><input type="checkbox"/> I paid down/off debt.</p> <p><input type="checkbox"/> I learned more from the additional resources.</p> <p><input type="checkbox"/> I shared this information with others.</p>
<p>Please share any additional comments you may have:</p> 	

Introduction and Objectives

Welcome back to Building Your Financial House! Remember that each module will introduce money concepts (knowledge) and then the actions you can take to build your own financial house. As a result of Make Money Work,

<p>You will know:</p> <ul style="list-style-type: none"> • The types and appropriate uses of 'other people's money' (OPM) • The four main factors that affect the total cost of using credit • Credit reports and scores, how to get them, and how lenders use them • Credit risk to cost relationship and ways to improve credit worthiness • Information lenders must provide to you when borrowing money 	<p>Actions to take:</p> <ul style="list-style-type: none"> • Plan and meet obligations • Limit borrowing to reasonable and manageable levels • Limit borrowing to pay for items that will improve your financial picture • Avoid high cost borrowing; plan, understand, and shop around for the best terms • Order free credit reports every 12 months from each bureau and review for errors and potential problems
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Forging your path to financial stability and growth will not be easy, nor will it be in a straight line. Your financial success is achievable if you are willing to make the commitment. Keep the following in mind as you continue your journey:

Unless you think about, choose, say, and do what you really want, you risk getting stuck with circumstances you do not desire.

Credit Myths and Facts

Take this true and false quiz to see how much you know about credit. Place a check mark under the true or false answer you feel is correct for each statement.

True	False	Statement
		1. Credit reporting agencies approve or reject a person's request for credit.
		2. Credit reports are not all the same.
		3. My credit score will be lower if I view my credit reports.
		4. The safest place to get a loan is at a bank, credit union, or savings bank.
		5. All credit repair companies can fix credit problems.
		6. Information in a credit report only affects a person's finances.
		7. My employer must have my permission to see my credit report.
		8. Credit is something we should all understand.
		9. I must keep a balance on my credit cards in order to build a credit history.
		10. If I qualify for credit, I must be able to afford it.

Score:

Answer Key: (1-F) (2-T) (3-F) (4-T) (5-F) (6-F) (7-T) (8-T) (9-F) (10-F)

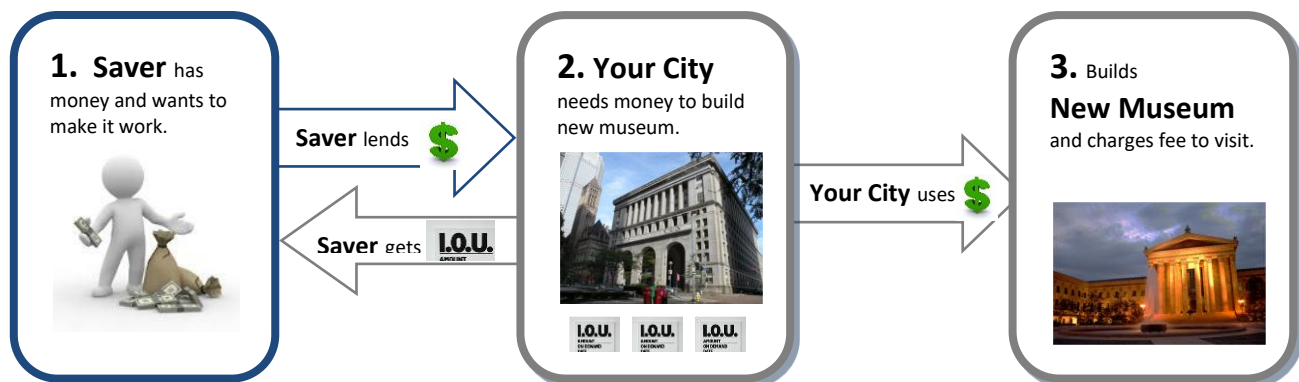
Credit Myths and Facts Answer Sheet

Here are the answers to the true and false quiz.

	Statement
False	1. Credit reporting agencies approve or reject a person's request for credit. <i>Credit reporting agencies give your credit information to lenders. The lenders use that information to make the decision to approve or reject your request for credit.</i>
True	2. Credit reports are not all the same. <i>Not all companies or businesses will report to all three credit bureaus (Experian, Equifax, and Trans Union). The speed at which the credit bureaus receive, and update information is not the same.</i>
False	3. My credit score will be lower if I view my credit reports. <i>Viewing your own credit report will have no negative impact on your credit score. You should review you credit reports at least once a year.</i>
True	4. The safest place to get a loan is at a bank, credit union or savings bank. <i>Credit is available from other sources, such as payday lenders or pawn shops, but these are much more expensive and often are not safe ways to obtain credit.</i>
False	5. All credit repair companies can fix credit problems. <i>Most credit repair companies are scams. You can fix errors yourself for no cost.</i>
False	6. Information in a credit report only affects a person's finances. <i>Information in a credit report does affect your finances. However, it can also affect your car insurance rates and whether you get rental housing. Many employers review credit reports before hiring a new employee. Employers know that people with money problems are often less productive at work, miss more workdays, have problems at home, and are more likely to steal from the workplace.</i>
True	7. My employer must have permission to see my credit report. <i>Your employer needs your written permission to view your credit report. However, other companies that have business with you do not need explicit permission.</i>
True	8. Credit is something we should all understand. <i>Everyone can and should understand credit. There are many reliable resources available to help you learn more about getting and using credit.</i>
False	9. I must keep a balance on my credit cards in order to build a credit history. <i>Credit use and on-time payments are what build a credit history. You can do this and still pay off the balance in full every month.</i>
False	10. If I qualify for credit, I must be able to afford it. <i>You may qualify for an amount of credit where the payment is more than you can afford. You must decide if you can afford the new payment by estimating how it will fit on your money map.</i>

Other People's Money

Recall that in the Make Money Work module, we discussed investing in bonds. A bond is an "IOU," in which *you are lending money* to a company, municipality, state or federal government. They agree to pay you interest while using your money and pay back the entire amount borrowed at some point in the future. We looked at an example of "Your City" needing money to build a museum.



When the city paid back the loan with interest, the saver was happy! If the city wanted to borrow again, it could and pay a lower rate of interest. When they didn't pay back the loan, the saver was not happy. If the city wanted to borrow money again, it would have difficulty and pay a higher rate of interest. So, when someone/thing uses **your money**, you want it to be paid back!

It's no different when you use **other people's money** or **OPM** for short. They expect to be paid back with interest for letting you use it. If you don't pay back the money and interest, you may not be able to use OPM in the future or have to pay a higher rate of interest.

OPM is referred to in two ways: credit and debt. **Credit** is your ability or permission to use OPM. **Debt** is the OPM that you have already used and now have to pay back.

Credit is granted generally under two conditions: *secured* or *unsecured*. **Secured** credit is when you provide something of value (known as *collateral*) as a guarantee that you will repay the debt. If you fail to repay the debt, the lender takes the collateral as repayment. Common collateral items are a home, car, or even cash itself, like in a bank account.

A guarantee or collateral is not required with **unsecured** credit. The lender trusts that you will repay the debt. If you fail to repay, the lender will report you as unreliable in meeting your obligations (which affects your ability to borrow more OPM), and, the lender could even take you to court to try to get their money back.

Types of Credit

	Revolving	Installment	Service
Key Concept	Reusable	Lump sum (and done)	Month-to-month
Example	Credit cards	Mortgage loan	Electricity
Payments	Flexible; based on balance	Inflexible; set by interest rate and time (amortization)	Variable; based on usage
Costs/Fees	Interest Annual Late Transaction	Interest Application Points Document prep	Late Interest
Default	Purchases declined Interest rate hike	Foreclosure/Repo Garnishment	Shut off

Revolving Credit

This type of credit, sometimes referred to as open-ended credit, allows you to borrow money at any time up to a set limit. When you pay back the borrowed money, you'll be able to use it again. The lender allows you to pay back the money in a lump sum or over an extended period of time. If you pay back the debt over time, you are charged a fee, called *interest*, each month on the amount that you owe. A credit card is an example of revolving credit.

Installment Credit

This type of credit, sometimes referred as closed-ended credit, allows you to borrow a specific amount of money, at one time, for a specific purpose. A fixed monthly payment is calculated by a repayment method called amortization. Amortization is the gradual repayment of debt over time. Each payment has some dollars paid to reduce the amount owed and some dollars are paid to the lender as interest. Installment credit is usually used for large purchases, such as a car, a home, or higher education.

Service Credit

You may be using this type of credit and not know it. For example, utility companies allow you to pay for service after they are used. If you are unable to make the payment within the given time period, there is usually a penalty charge that will be added to your bill. If you do not pay the bill, the utility can be shut off.

Four Factors of Finance

Have you ever had to choose between 0% financing or discount? Have you been offered an extended term (usually for a higher interest rate) to lower the monthly payment? What about paying a fee in exchange for a lower interest rate and the convenience of rolling fees into the loan amount? The follow chart compares the total cost of an item base on these common choices and options.

Comparing Offers	1	2	3	4	
List Price	\$10,000	\$10,000	\$10,000	\$10,000	
Discount	-	(\$1,000)	(\$1,000)	(\$1,000)	
Fees	-	-	-	\$250	
				Paid-up front	Rolled into loan
Loan Amount	\$10,000	\$9,000	\$9,000	\$9,000	\$9,250
Interest	0%	7.00%	8.00%	7.00%	
Term (months)	36	36	48	48	
Monthly Payment	\$278	\$278	\$220	\$216	\$222
Total Cost	\$10,008	\$10,008	\$10,560	\$10,618	\$10,656

There are trade-offs to each offer. Offer 1 and 2 produce the same monthly payment and total cost. Even though a discount was given in Offer 2, the finance charge makes the cost the same as Offer1. Extending the financing term in offer 3 provides the lowest monthly payment but the highest overall cost. Paying a fee to lower the interest on the 48-month loan is less expensive but beware that rolling any fees into the loan amount increases costs. Doing this type of cost comparison can help you identify the best offer.

Let's talk a little more about the actual cost of credit. Do you make credit purchases based on monthly payment or on the total cost of credit? Knowing what monthly payment you can afford is important to your money map, but shopping for credit by monthly payment can end up costing more in the long run. The numbers can be crunched in a variety of (expensive) ways to fit your monthly payment. The chart below summarizes the four factors of finance (down payment, term, interest rate, and fees) and how changing the factors affect the cost of credit. Keep these in mind when searching for the best offer with the best terms that will cost you less.

Four Factors of Finance			
Factor	Direction	Monthly Payment	Cost of Credit
Down Payment	↑	↓	↓
Term (months)	↑	↓	↑
Interest Rate (%)	↑	↑	↑
Fees	Paid up front	▬	↑
Fees	Rolled into loan	↑	↑ ↑

Disclosures for Good Decisions

How do you know if you are getting a good deal or paying too much for your credit? The Federal Truth-in-Lending Act requires lenders to disclose potential borrowers with cost information. There are two forms that can help you compare credit products before you sign on the dotted line. Here is a sample of the **disclosures** required **for revolving credit** (credit cards).

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99%, 10.99% or 12.99% introductory APR for one year, based on creditworthiness. After that, your APR will be 14.99% . This APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	15.99% - This APR will vary with the market based on the Prime Rate.
APR for Cash Advances	21.99% - This APR will vary with the market based on the Prime Rate.
Penalty APR (and when it applies)	28.99% - This APR may be applied to your account if you: <ol style="list-style-type: none"> 1. Make a late payment; 2. Go over your credit limit; 3. Make a payment that is returned; or 4. Do any of the above on another account that you have with us.
How long will the penalty APR apply?	If your APR's are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due.
How to avoid paying interest on purchases.	Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month.
Minimum Interest Charges	If you are charged interest, the charge will be no less than \$1.50.
Fees	
Set-up and maintenance fees: annual, account set-up, participation, additional card, etc.	Notice: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available to use.
Transaction fees: Balance Transfer Cash Advance Foreign Transaction	Either \$5 or 3% of the amount of each transfer, whichever is greater (to a maximum fee, \$100). Either \$5 or 3% of the amount of each cash advance, whichever is greater. 2% of each transaction in US dollars.
Penalties: Late Payment Over-the-Credit Limit Returned Payment	\$29 if balance is less than or equal to \$1,000; \$35 if is more than \$1,000 \$29 \$35
Balance calculation method	We use a method called "average daily balance (including net purchases)."
Loss of introductory APR	We may end your introductory APR and apply the Penalty APR if you become more than 60 days late in paying your bill.
For more credit card tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at www.federalreserve.gov/credit.card

Source: Federal Reserve Board of Governors

Disclosures for Good Decisions-Installment Loans

In general, installment loans require fewer disclosure items than revolving credit as amortization simplifies the repayment calculation and process. (See page BTG-16) The items disclosed are just as important though because they can help you compare loan terms, cost, and the best deal for you. Here is an example of the information required to be disclosed for installment loans and how to review it. Pay close attention to the numbers in the red boxes when comparing loans.

You, the Buyer (and Co-buyer, if any) may buy the vehicle below for cash or on credit. By signing this contract, you choose to buy the vehicle on credit according to the terms in this agreement. You agree to pay the Creditor – Seller the Amount Financed and Finance Charge according to the payment schedule below. Your finance charge will be figured on a daily basis at a Base Rate of 7.000 % per year. The Truth-in-Lending Disclosures are part of this contract.

FEDERAL TRUTH-IN-LENDING DISCLOSURES				
ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. <u>8.501</u> %	FINANCE CHARGE The dollar amount the credit will cost you. <u>\$ 1,812.00</u>	Amount Financed The amount of credit provided to you on your behalf. <u>\$ 10,000.00</u>	Total of Payments The amount you have paid after you have made all payments as scheduled. <u>\$ 11,472.00</u>	Total Sales Price The total cost of your purchase on credit including down payment of <u>\$ 0.00</u> <u>\$ 11,812.00</u>
Number of Payments <u>48</u> _____ _____	Amount of each Payment <u>\$ 239.00</u> \$ _____ \$ _____	Payments are Due <input checked="" type="checkbox"/> monthly <input type="checkbox"/> weekly (Beginning Payment Date) <u>1/1/20xx</u> _____ _____	Late Charge. You must pay a late charge if a payment or part therein is more than 10 days late. The charge is \$35 or 5% of the outstanding balance, whichever is greater. Prepayment. If you pay off early, you will not have to pay a penalty. Security Interest. You are giving us a security interest in the vehicle being purchase.	

- 1. Amount financed:** This is the loan amount or 'principal' borrowed.
- 2. Interest rate:** This is the rate of interest you will be paying on the amount financed and is used to calculate your monthly payment. It is also called the note or loan rate.
- 3. Payment schedule:** This information includes the number of payments to be made, or the 'term' of the loan, the amount of each payment, how often the payments are made, and the date the first payment is due.
- 4. Total of payments:** This simply the calculation of number of payments multiplied by the amount of each payment.
- 5. Finance charge:** This is the total amount of interest and all loan related fees that will be paid in the credit transaction. It is also known as "the cost of credit." Note that the financial charge is greater than the total payments less amount financed. This would imply additional loan fees.
- 6. Annual Percentage Rate (APR):** This is not your loan rate. It is the true cost of credit, including interest, loan fees, etc. represented as an annual rate. The greater the difference between the APR and the loan rate, the higher the loan fees. This number is key to cost comparison of loan offers.
- 7. Additional information:** This includes late payment fees, prepayment penalties, required insurances, collateral, etc.

Disclosures for Good Decisions-Mortgage Loans

The disclosure required for mortgage loans are more complex than installment loans as they incorporate rules from the Real Estate Settlement Procedures Act (or RESPA). Here is an example of the three-page loan estimate disclosure. Again, pay close attention to the numbers in the red boxes when comparing loans.

Loan Terms		Can this amount increase after closing?	
Loan Amount	\$162,000	NO	
Interest Rate	3.875%	NO	
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO	
Does the loan have these features?			
Prepayment Penalty	YES	• As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO		
Projected Payments			
Payment Calculation	Years 1-7		Years 8-30
Principal & Interest	\$761.78		\$761.78
Mortgage Insurance	+ 82		+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206		+ 206
Estimated Total Monthly Payment	\$1,050		\$968
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>	In escrow? YES YES
Costs at Closing			
Estimated Closing Costs	\$8,054	Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.	
Estimated Cash to Close	\$16,054	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.	

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

LOAN ESTIMATE PAGE 1 OF 3 • LOAN ID # 123456789

Closing Cost Details

Loan Costs		Other Costs	
A. Origination Charges	\$1,802	E. Taxes and Other Government Fees	\$85
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
		F. Prepaids	\$867
		Homeowner's Insurance Premium (6 months)	\$605
		Mortgage Insurance Premium (months)	
		Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
		Property Taxes (months)	
		G. Initial Escrow Payment at Closing	\$413
		Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
		Mortgage Insurance per month for mo.	
		Property Taxes \$105.30 per month for 2 mo.	\$211
B. Services You Cannot Shop For	\$672	H. Other	\$1,017
Appraisal Fee	\$405	Title – Owner's Title Policy (optional)	\$1,017
Credit Report Fee	\$30		
Flood Determination Fee	\$20		
Flood Monitoring Fee	\$32		
Tax Monitoring Fee	\$75		
Tax Status Research Fee	\$110		
		I. TOTAL OTHER COSTS (E + F + G + H)	\$2,382
C. Services You Can Shop For	\$3,198	J. TOTAL CLOSING COSTS	\$8,054
Pest Inspection Fee	\$135	D + I	\$8,054
Survey Fee	\$65	Lender Credits	
Title – Insurance Binder	\$700		
Title – Lender's Title Policy	\$535		
Title – Settlement Agent Fee	\$502		
Title – Title Search	\$1,261		
		Calculating Cash to Close	
D. TOTAL LOAN COSTS (A + B + C)	\$5,672	Total Closing Costs (J)	\$8,054
		Closing Costs Financed (Paid from your Loan Amount)	\$0
		Down Payment/Funds from Borrower	\$18,000
		Deposit	– \$10,000
		Funds for Borrower	\$0
		Seller Credits	\$0
		Adjustments and Other Credits	\$0
		Estimated Cash to Close	\$16,054

Additional Information About This Loan

LENDER Ficus Bank
NMLS/ __ LICENSE ID
LOAN OFFICER Joe Smith
NMLS/ __ LICENSE ID 12345
EMAIL joesmith@ficusbank.com
PHONE 123-456-7890

MORTGAGE BROKER
NMLS/ __ LICENSE ID
LOAN OFFICER
NMLS/ __ LICENSE ID
EMAIL
PHONE

Comparisons

Use these measures to compare this loan with other loans.

In 5 Years	\$56,582 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$15,773 Principal you will have paid off.
Annual Percentage Rate (APR)	4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

- Appraisal** We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
- Assumption** If you sell or transfer this property to another person, we
 will allow, under certain conditions, this person to assume this loan on the original terms.
 will not allow assumption of this loan on the original terms.
- Homeowner's Insurance** This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
- Late Payment** If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
- Refinance** Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
- Servicing** We intend
 to service your loan. If so, you will make your payments to us.
 to transfer servicing of your loan.

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature _____

Date _____

Co-Applicant Signature _____

Date _____

LOAN ESTIMATE

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Amortize This!

'Amortization' is another one of the fancy financial terms that simply means how your installment loan is paid back. With each payment, some goes to principal and some for interest. Little by little your principal **balance** decreases, so you pay less and less interest. Below is an example of a four-year auto loan, showing the first year's and fourth year's payments. Notice the difference between the amounts of interest paid in the first payment to that in the last payment.

Sample Amortization Chart

Amount Borrowed: \$10,000 Term (months): 48
Interest Rate: 7% Monthly Payment: \$239

Month	Beginning Balance	Payment	Interest Paid	Principal Paid	Ending Balance
1	\$10,000	\$239	\$58	\$181	\$9,819
2	\$9,819	\$239	\$57	\$182	\$9,638
3	\$9,638	\$239	\$56	\$183	\$9,455
4	\$9,455	\$239	\$55	\$184	\$9,271
5	\$9,271	\$239	\$54	\$185	\$9,086
6	\$9,086	\$239	\$53	\$186	\$8,900
7	\$8,900	\$239	\$52	\$187	\$8,713
8	\$8,713	\$239	\$51	\$188	\$8,525
9	\$8,525	\$239	\$50	\$189	\$8,336
10	\$8,336	\$239	\$49	\$190	\$8,145
11	\$8,145	\$239	\$48	\$191	\$7,954
12	\$7,954	\$239	\$46	\$192	\$7,761
13	\$7,761	\$239	\$45	\$193	\$7,567
14	\$7,567	\$239	\$44	\$194	\$7,372
15	\$7,372	\$239	\$43	\$195	\$7,177
16	\$7,177	\$239	\$42	\$196	\$6,981
17	\$6,981	\$239	\$41	\$197	\$6,785
18	\$6,785	\$239	\$40	\$198	\$6,589
19	\$6,589	\$239	\$39	\$199	\$6,392
20	\$6,392	\$239	\$38	\$200	\$6,195
21	\$6,195	\$239	\$37	\$201	\$6,000
22	\$6,000	\$239	\$36	\$202	\$5,803
23	\$5,803	\$239	\$35	\$203	\$5,607
24	\$5,607	\$239	\$34	\$204	\$5,411
25	\$5,411	\$239	\$33	\$205	\$5,215
26	\$5,215	\$239	\$32	\$206	\$5,019
27	\$5,019	\$239	\$31	\$207	\$4,823
28	\$4,823	\$239	\$30	\$208	\$4,627
29	\$4,627	\$239	\$29	\$209	\$4,431
30	\$4,431	\$239	\$28	\$210	\$4,235
31	\$4,235	\$239	\$27	\$211	\$4,039
32	\$4,039	\$239	\$26	\$212	\$3,843
33	\$3,843	\$239	\$25	\$213	\$3,647
34	\$3,647	\$239	\$24	\$214	\$3,451
35	\$3,451	\$239	\$23	\$215	\$3,255
36	\$3,255	\$239	\$22	\$216	\$3,059
37	\$3,059	\$239	\$21	\$217	\$2,863
38	\$2,863	\$239	\$20	\$218	\$2,667
39	\$2,667	\$239	\$19	\$219	\$2,471
40	\$2,471	\$239	\$18	\$220	\$2,275
41	\$2,275	\$239	\$17	\$221	\$2,079
42	\$2,079	\$239	\$16	\$222	\$1,883
43	\$1,883	\$239	\$10	\$229	\$1,430
44	\$1,430	\$239	\$8	\$231	\$1,199
45	\$1,199	\$239	\$7	\$232	\$967
46	\$967	\$239	\$6	\$233	\$734
47	\$734	\$239	\$4	\$235	\$499
48	\$499	\$239	\$3	\$236	\$263
48	\$263	\$239	\$2	\$237	\$26

Credit or No Credit?

Sam and Tony both want to buy the same car for \$15,000 and have come to you for a car loan. Read their individual situations and determine which one you would approve for a loan.

Sam		Tony
26	Age	38
\$40,000	Income	\$40,000
Single	Marital Status	Married
African American	Race	Caucasian
\$4,000	Down Payment	\$2,000
\$11,000	Loan Amount	\$13,000
\$8,478	Credit Card Balances	\$1,832
\$423.90	Minimum Monthly Credit Card Payment	\$91.60
Missed one payment in past four years. He was late because of a medical emergency.	Payment history	Averages one late payment every four months. Two accounts that have gone to collection agencies.

Who would you loan money to and provide three (3) reasons why?

1. _____
2. _____
3. _____

Credit: How to Get It!

When you apply for credit, lenders use the “**5 C’s of Credit**,” to determine if you are creditworthy.

Capacity: Lenders want to know that you have the capacity to pay back the loan. In other words, do you have enough **income** to make the payments on the amount you want to borrow?



Capital: Lenders want to know the value of your savings and debt. They want to make sure that you’re not using too much of OPM! They want to make sure you have enough **cash** on hand to make a down payment or pay for other fees charged for the purchase.

Collateral: Lenders will look at the **value of the asset** you are pledging (as a promise to pay) to make sure that they do not lend you more money than it’s worth. Remember, if you don’t repay the loan, the lender can take the property and sell it to recover the amount owed.



Character: Lenders want to know how you have paid your debts in the past. They will review your **credit history** to look for responsible use of OPM and repayment of debt.

Conditions: This refers to situations that affect your ability to borrow money but may be beyond your control. For example, general conditions of the economy may limit the amount of money available to borrow or the type of loan offered.



Your Credit Report Card

Your credit report is an overall snapshot of how you have used OPM in the past. It's like a report card for credit!

Creditors report information to one or all of the three main credit reporting bureaus, Equifax, Experian, and TransUnion, which then collect and compile information about your credit usage. Every time you make a payment, miss a payment, apply for new credit, etc., that information is reported to the bureaus. The credit bureaus can then provide the information to you, potential creditors, insurance companies, potential employers, etc., who have an interest in how you have met your obligations in the past.

Report Card for Credit

Public Records _____

Credit Accounts _____

Inquiries _____

Here is the type of information that can be found in a credit report:

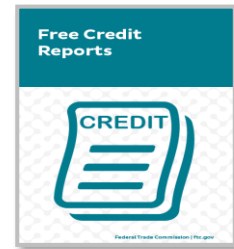
- **Personal information:** Name or names you have used; current and past addresses, telephone numbers, employers; Social Security Number
- **Public records** (of a financial nature): bankruptcies, judgments, or liens
- **Credit accounts not paid as agreed:** accounts with late payments, or that are in default, collections or charged-off
- **Credit accounts paid as agreed:** accounts that have a positive status; those that are current or have been successfully paid off
- **Inquiries (hard):** show who has reviewed your credit report because you have applied for new credit, insurance, housing, etc. Creditors evaluate your creditworthiness because of something you have initiated.
- **Inquiries (soft):** show who has reviewed your report (or parts of) as allowed by the Fair Credit Reporting Act. This includes creditors that want to extend pre-approved offers, employers, current creditors that are conducting account reviews and your own requests to see your report. These inquiries do not affect your creditworthiness or scoring.
- **Personal statements:** You can put statements on your report, such as, an explanation for disputed information or a fraud alert, which will be seen by anyone that reviews your report.
- **Credit score:** Your report may or may not include a credit score. If it is included, there is usually an explanation of what has negatively impacted the score and how to improve it.

Source: Adapted from *A Sample Credit Report* (Experian)

Your *Free* Credit Report: Get It and Check It!

You can get a **free*** copy of your credit report **from each** of the three main credit bureaus once every 12 months. You can request one or all three at the same time.

Online: www.annualcreditreport.com
By telephone: 1-877-322-8228
By mail: Annual Credit Report Service Request
PO Box 105281
Atlanta, GA 30348-5281.



Did you know that 79% of credit reports have errors?*** That's why it's so important to order your free credit reports and check them! If you find errors, there are two steps you can follow correct them.

1. File a dispute form or letter with the credit reporting bureau(s). Include copies of documents that support your position. Here is their contact information:

Equifax
PO Box 740241
Atlanta, GA 30374
1-800-685-1111
www.equifax.com

Experian
PO Box 2002
Allen, TX 75013
1-888-322-5583
www.experian.com

TransUnion
PO Box 1000
Chester, PA 19022
1-800-888-4213
www.transunion.com

The credit reporting bureaus must investigate your dispute within 30 days. They will contact the creditor and ask for a verification of the reported information. If the information cannot be verified as accurate, the bureaus must correct your file. If the information is verified, it will remain on your report.

2. If you still believe this item to be an error, then you must contact the creditor directly, in writing, along with copies of your supporting information. If the information is found to be inaccurate, your creditor cannot report it again.

Be careful of businesses claiming to remove items from your credit file for a fee. All they can do legally is dispute items, just as you can do yourself-for free! You cannot pay to have accurate, negative information removed from your file. The only thing that can remove it is time. Generally, negative items will stay on your report for seven years from the date the event took place (late payment, collections, etc.). Chapter 7 bankruptcy can stay on for 10 years. Tax liens will stay on indefinitely until paid then the seven-year reporting clock begins.

**Free reports do not contain a credit score.*

*** National Association of State Public Interest Research Groups*

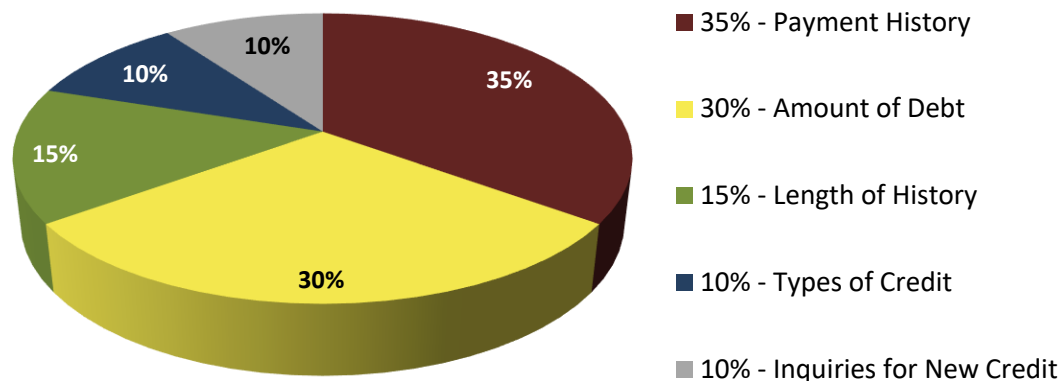
What's Your Number?

Just as you find grades on a report card, your credit report has a grade, too, called a **'credit score' (or risk score)**. A credit score is a number that is a measure of the risk of you not paying back a loan. A credit score is calculated from the information contained in your credit report at that moment in time. Your credit score will change every time new information is reported. Just as with grades in school, the higher the score the better.

Credit scores were created to help lenders make credit decisions fairer and quicker. Credit scores are *based solely on your credit behavior* which includes your payment history, amount of debt, length of using credit, types of credit used, and how often you apply for new credit, as well as the relationship between those types of information. Credit scores do not consider your gender, race, nationality, religion, or marital status. (Note: If you are married, your spouse will have his/her own credit report. There are no 'joint' credit reports.) In fact, credit scores even ignore your income; they are based only on your how you have handled using OPM.

The most commonly used scoring model is the FICO Score, which was created by the Fair Isaac Corporation. For the general population of credit users, a FICO score weighs the importance of key credit behaviors according to the following:

FICO Scoring Model



Keep in mind that for individual situations, the relative importance of these categories may be different. For example, a person that is new to using credit will be affected differently than someone with a long history when making a late payment on a credit account. Regardless of the exact weight, the best way to improve a score is to *make payments on time* and *don't borrow in excess*.

Source: Adapted from *Understanding Your FICO Score* (www.myFICO.com)

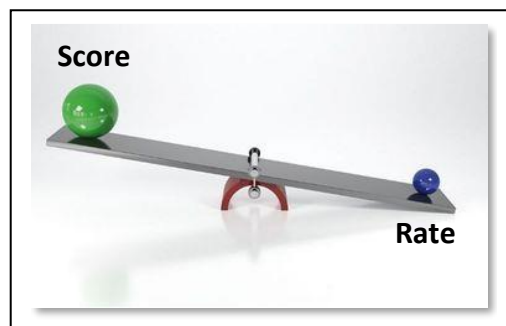
Grades Do Matter

Credit scores are used to determine how much credit will cost you. Just like in school, the higher the score, the better. The higher the score, the less credit will cost you. Here is an example of how credit scores relate to the interest rate charged and monthly payment for a four-year auto loan for \$10,000.

FICO Score	APR	Monthly Payment	Total Interest Paid
720-850	4.699%	\$229	\$ 989
690-719	5.935%	\$235	\$1,259
660-689	7.432%	\$241	\$1,591
620-659	11.119%	\$259	\$2,434
590-619	18.987%	\$299	\$4,349
550-589	21.250%	\$311	\$4,928

**Source: myfico.com for rates quoted 7-24-20*

So why do lenders charge higher rates for lower scores? It's pretty simple, the higher the score, the less likely you are to default, or not pay back your loan. Lenders will lend to borrowers with lower scores, but they want to be compensated for taking on extra risk for a borrower that is less likely to pay on-time or pay at all. That compensation for the extra risk is a higher interest rate.



Even though it's easy to become overly concerned about credit scores, it's more important to focus on long-term responsible use of credit rather than chasing a number. Responsible use of OPM will result in a good credit score.

Credit: How to Use It!

Credit can be an effective tool to make purchases if used wisely. As a general rule, credit should be used to buy items that increase in value over time, like *investing in yourself* through education or making money work by building assets. In other words, borrow to grow.

However, there may be times when using credit is necessary for things that don't increase in value over time. Review the following situations. In your opinion, would you use credit for any of these purchases? There is no right or wrong answer.

Item/Situation	Yes	No	Maybe	Reason
A friend's birthday present				
Weekly groceries				
College education				
New basketball shoes when the one you have now are still good to wear				
New refrigerator because yours broke				
A snack				
Materials for a craft project				
Medical procedure that the doctor told you to have done immediately				
Overdue bills				
Fixing a car				
Attending a swap meet				

Source: Adapted from *Building Native Communities: Investing for Your Future* (First National Development Institute)

Know When to Say 'When'

Even when you 'borrow to grow,' it is still possible to borrow too much. Here are figures you can use as a guide for keeping your borrowing to reasonable levels.

Debt-to-Income Ratio

This is also called your monthly 'debt service.' In other words, it says how much of your income is used to pay debts every month. It is calculated by dividing your minimum monthly debt payments by your gross monthly income. Use your numbers to see where you stand.

$$\begin{array}{r}
 \text{Monthly debt payments} \longrightarrow \boxed{\$} \\
 \div \\
 \text{Divided by} \\
 \text{Monthly gross income} \longrightarrow \boxed{\$}
 \end{array}
 \times 100 = \boxed{}$$

Debt-to-Income

A general rule is to keep your debt-to-income ratio **less than 10%**. **If you include your housing related expenses** such as **rent** or **mortgage**, your ratio should be **less than 40%**.

Debt Utilization Ratio

This number represents how much of your available credit (or credit limit) you are using. It is calculated by dividing your total amount of debt by total credit limit. Use your numbers to see where you stand.

$$\begin{array}{r}
 \text{Total debt} \longrightarrow \boxed{\$} \\
 \div \\
 \text{Divided by} \\
 \text{Total credit limit} \longrightarrow \boxed{\$}
 \end{array}
 \times 100 = \boxed{}$$

Debt Utilization

A general rule is to keep your debt utilization ratio **below 30%**. The next time you hear someone say they have "maxed out" their credit cards, you can let them know that their debt utilization ratio is 100%!

Credit: How to Keep It!

Just as we tell our kids to take care of their clothes and toys to make them last, we need to take care of our good credit to make it last. It's not difficult to do, but it does take some effort. Here are some general suggestions:

1. Start with a money map. Not only does a money map help you to control where your money is going, it can help you determine if your debt service is too high. Even if your debt-to-income ratio is below the general guidelines, your money map can show you if your debt is affordable considering your needs, other obligations, and goals.



2. Pay bills on time. Not only does paying bills on time prevent late fees and penalties, it establishes good credit "character." Lenders look favorably upon those that have consistently paid their bills on time. Make payments 5 to 10 days before they are due to avoid the risk of paying late fees. Try automatic bill pay to avoid late payments.

3. Limit debt amount. Not only does this keep your debt ratios low, but it is necessary in order to achieve financial stability. Recall the example of famous people that filed for bankruptcy in the Make Money Work module. Owing more than you own is a recipe for financial disaster. Pay more than the minimum on credit balances lowers your interest cost too.



4. Use only what you need. Not only does this show responsible use of credit, it saves you money! Credit is not free, and the less you use, the less you pay in interest. Shop around for the best APR's when you need credit. In case you are tempted by pre-approved credit offers, call 1-888-5-OPTOUT to have your name removed from marketing lists.

5. Borrow to Grow! Make sure that if you borrow money, it will be beneficial to your financial situation.



My Credit Practices

Read the following statements about using credit and check those that apply to your situation.

I only buy things that I need or that I can afford.

I hide things that I buy on credit or lie about how I paid for them.

I know how much money I need each month for my living expenses.

I use cash advances on a credit card to pay for groceries or other necessities.

I know how much I owe in total on my debts.

I put off looking at my bills and credit card statements.

I usually pay more than the minimum on my credit cards

I charge more on my credit cards than I pay each month.

I know the total amount of interest that I pay every year on my debts.

I owe money to seven or more creditors.

I look at the total cost of interest before I borrow.

I have overdue credit payments that will take more than a year to repay.

I know the percentage (%) of my gross monthly income that goes to credit payments.

I have used *rent-to-own* stores, pay day loans, or *buy here, pay here* car dealers.

I have ordered my free credit reports within the past year and reviewed for errors.

I have a past due credit payment that will take more than a year to pay repay.

The statements with (green) boxes represent positive credit practices. The more you have checked, the easier managing your credit will be! The unchecked green boxes are practices in which to work towards implementing. The statements with (red) circles indicate credit practices that will hinder improving your credit and will need some adjustments. Moving forward, start small by working on one or two areas and continue until you have addressed all of the unchecked green boxes and the red circle items that you checked.

Source: Adapted from *DollarWorks 2* (University of Minnesota)

Dissecting Your Debt

To help get a better look at your debt, complete the following chart to dissect your debt. Check on your most recent statements for the information or call your creditors to find out. Place a check in the C column if the debt has been sent to a collection agency. See below for instructions on the Debt Priority (DP) column.

Dissecting Your Debt							
Description	APR (%)	Balance	Monthly Payment	# of Payments Behind	\$ Amount Behind	C	DP
Totals:							

The DP (“Debt Priority”) column is to help you decide which debts need to be paid first. Secured debt is usually at the top of the list because, if you don’t make the payments, the lender can take back the property used to secure the loan. In the example above, the car loan should be paid first; without a car, you may not be able to get to work! With other unsecured debt, there are two schools of thought:

1. Pay off the higher interest rate loans to save the interest expense; or
2. Pay off the smaller balances so you can write fewer checks and enjoy the small victories along the way.

There is no right or wrong answer for the DP column. This is a personal choice, and **you** must **decide what is best** for **your** situation.

Source: Adapted from *DollarWorks 2* (University of Minnesota)

Credit: How to Fix It!

What if you have some warning signs with your debt situation and need to fix it? Although it's unsettling, the good news is that you have options: on your own, credit counseling, a debt management program (DMP), debt settlement or bankruptcy. Here is a brief look at pros and cons of each choice.

On Your Own	
<ul style="list-style-type: none"> • Establish a manageable money map • Contact creditors and ask for reduced interest rates, payments or refinance options • Make good on your promises to pay and make payments on-time 	
Pros: <ul style="list-style-type: none"> • Takes control of your situation • Saves money in additional late fees and/or penalties • Re-establish payment history 	Cons: <ul style="list-style-type: none"> • Takes time to pay off debts • May still have to manage multiple debt accounts and payments
Credit Counseling	
<ul style="list-style-type: none"> • Evaluate credit report and debt • Establish a manageable money map • Suggest repayment strategies • Helps contact creditors and ask for reduced interest rate, payments or refinance options 	
Pros: <ul style="list-style-type: none"> • Professional analysis of your situation • Saves money in additional late fees and/or penalties. • Re-establish payment history 	Cons: <ul style="list-style-type: none"> • Takes time to pay off debts • May still have to manage multiple debt accounts
Debt Management Program (DMP)	
<ul style="list-style-type: none"> • Credit counseling • Contact creditors and negotiates a lower interest and manageable repayment plan • One monthly payment to provider • Monthly disbursements to creditors 	
Pros: <ul style="list-style-type: none"> • Professional analysis of your situation • Saves money in additional late fees and/or penalties. • Re-establish payment history • Write one check per month 	Cons: <ul style="list-style-type: none"> • Will take time to pay off debts (2-5 years) or more • May not qualify for credit until program completed • Monthly fee

Debt Settlement	
<ul style="list-style-type: none"> • Credit counseling • Accounts must be in <i>collection</i>; if not, you will be advised to stop making payments • Make deposits into separate savings account for future settlement • Contact creditors and negotiates a settlement payment for less than owed • Disburse settlement payment to creditors 	
<p>Pros:</p> <ul style="list-style-type: none"> • Pay less than owed 	<p>Cons:</p> <ul style="list-style-type: none"> • High fees • May have to claim forgiven debt as income on your taxes (1099-C) • Creditors may still try to collect on accounts • Immediate damage to credit if had been making on-time payments to creditors before
Bankruptcy	
<ul style="list-style-type: none"> • Must attend pre-bankruptcy counseling before filing • File a "means" test for payment plan (Chapter 13) • Notification to creditors • Debtor education • Discharge approval or denied 	
<p>Pros:</p> <ul style="list-style-type: none"> • Some or all of debt forgiven • Maybe faster than repayment plan • Generally, not taxable (note: there are exceptions) 	<p>Cons:</p> <ul style="list-style-type: none"> • Not all debt forgiven (alimony, child support, taxes, federal student loans, etc.) • Will affect qualification for new credit (usually 2+ years) • May be reported for 10 years

Other Types of "Credit"...Forget It!

There are some types of credit and services that are considered predatory or abusive, charging excessive fees and interest. The lenders that offer these types of products prey on consumers with limited credit experience, a poor credit history, the elderly, minorities, immigrants, and those in a money crisis. What they have to offer may sound great, but when it comes down to the numbers, it is very expensive and unsafe way to borrow money. See if you can match the type of loan with its description



Buy Here, Pay Here



Refund Anticipation Loans (RALs)



Payday Loans



Pawnshops



Rent-to-Own (RTO)



Auto Title Loans

- _____ are short-term loans, (30 days), that use a person's car to secure the loan. If the loan is not repaid, the lender may take the car and sell it to get the loan money back. Lenders charges 25% per month (300% APR) on loans which are only a small fraction of the car's value. Failure to pay in full at the end of the month can lead to repossession.
- _____ are businesses that provide short-term loans, usually one to two months, which are secured by personal property that you turn over to the business. The business can legally sell the property if you fail to repay the loan when due.
- _____ are loans that are secured by your own tax refund money. When your refund is issued by the IRS, it is used to pay back the loan. Regardless of when the refund is processed or the amount, you are subject to repay according to the terms of the loan. Because of new IRS rules, this product may not be available after the 2011 tax year filing season.
- _____ are businesses that allow you to make purchases with little or no down payment by first renting the item to you for a period of time before you own it. You only have to make small weekly payments; however, the extended period of time can end up costing 100-300% of the value of the item.
- _____ are short-term loans that are typically repaid in two weeks, usually on your next payday. These loans are secured by a post-dated check that will be deposited on the loan's due date. Lenders charge flat fees for these loans which equate to 300+% APR's. If you don't have the money to cover the check, you may be forced to roll-over the loan for another two weeks, incurring more fees.
- _____ are businesses that sell and finance automobiles, based on a monthly payment the customer can manage rather than the automobile's value. Typical interest rates start at 25%, and the payoff schedule can last beyond the useful life of the automobile. In most cases, the down payment a customer makes covers the dealers cost of the entire vehicle.

Source: Adapted from *DollarWorks 2* (University of Minnesota) (4-RTO) (5-Payday Loans) (6-Buy Here, Pay Here)
Answer Key: (1-Auto Title Loans) (2-Pawnshops) (3-RALs)

Predatory Lending: Too Good to Be True

Predatory lending is an unfair practice that takes advantage of consumer's vulnerability and fears. It hurts consumers by increasing their debts, impairing their ability to make payments on the loans and damaging their credit. It is bad for families and bad for the neighborhoods where they live. Predatory lending causes untold harm.

Predatory lending initially hides in appealing disguises that attract the very victims who should be most wary. They can appear to be their victims' allies against hostile financial forces. Only later do the unsuspecting marks realize that their former friends have saddled them with debts they can never repay. For many, the awakening comes too late. Some never recover and those who do lose thousands of dollars.

The only way to avoid predatory lending is through knowledge. Although there are statutes designed to protect consumers, there is still no substitute for a little common sense and knowing what to look for when seeking credit. No less than the law of gravity, the laws of economics apply to everyone, ***so if a deal sounds too good to be true, it is too good to be true.*** "Let the buyer beware" was good advice when it was offered thousands of years ago, and it still holds true today.

Here are some common practices of predatory lending to be aware of when using credit:

- Being asked to sign blank forms that will be filled in later.
- Willingness of company representatives to falsify loan applications, particularly information about income.
- Forging important, key loan documents.
- "High-pressure" sales presentations with "one-time" offers.
- Being offered loans for much higher amounts than required.
- Failure to provide the required Truth-in-Lending Disclosure
- Planning loan closings at places other than in lender offices (such as in the home, in a motor vehicle, at a restaurant, etc.).
- Other names ("phantom" signers frequently unknown to borrowers) are added to documents to make loans seem more affordable.
- Changing loan terms at closing.
- Being encouraged to repeatedly refinance the loan.
- Being contacted by companies at home, without having requested a call.

If you feel you've been a victim of predatory lending, contact the Pennsylvania Department of Banking and Securities at 1-800-PA-BANKS or the Attorney General Office at 1-800-441-2555.

Additional Resources to: *Borrow to Grow*

Annual Credit Report.com: www.annualcreditreport.com

AnnualCreditReport.com is the only authorized site that provides consumers with the secure means to request and obtain a free credit report once every 12 months from each of the three nationwide consumer credit reporting companies in accordance with the Fair and Accurate Credit Transactions Act (FACT Act).

Aspen Institute: www.aspeninstitute.org

The Nasty Nine

Read about nine high-cost practices that could strip cash away from you.

Experian: www.experian.com

Sample Credit Report

See what a credit report looks like, what's reported, and how.

Fair Isaac Corporation: www.myfico.com

Understanding Your FICO Score

Learn what goes into a FICO score and ways to improve your score.

Federal Trade Commission: www.ftc.gov

A Summary of Your Rights Under the Fair Credit Reporting Act

Review your consumer rights when it comes to credit reporting, scoring and access to your file.

FTC Fact for Consumers: Credit and Your Consumer Rights

Learn more about credit and important rights you have as a consumer.

Financial Planning Association: www.fpanet.org

Debt Management Plan

Use this to determine create a manageable repayment plan of your debt.

National Foundation for Credit Counseling (NFCC): www.nfcc.org

Find a Counselor Now

NFCC agencies provide non-profit credit and budget, housing, and bankruptcy counseling throughout Pennsylvania. Use the zip code search to find one near you.

PA Insurance Department: www.insurance.pa.gov

How Credit Relates to Insurance: A Fact Sheet for Pennsylvania Consumers

Learn more about credit reports, credit scores, and insurance scores.

Pre-session Questionnaire

ID _____

Circle the answer that you believe is correct.

1. Which of the following is a type of credit you can use more than once?
 - A. Revolving
 - B. Installment
 - C. Military
 - D. Service
2. Which of the following would increase the cost of credit?
 - A. Lower term
 - B. Higher down payment
 - C. Lower credit score
 - D. Lower fees
3. Which of the following "5C's of Credit" refers to a person's credit history?
 - A. Capacity
 - B. Character
 - C. Collateral
 - D. Condition
4. Which of the following credit behavior has the most influence in the FICO scoring model?
 - A. Amount of debt
 - B. Payment history
 - C. Interest rates
 - D. Inquiries
5. True or false There are disclosures that lenders *must* provide for revolving credit, installment loans, and mortgage loans.
6. Which of the following is could have an effect on your taxes?
 - A. Asking a lender for a reduced interest rate
 - B. Disputing an item on your credit report
 - C. Making payments through a debt management program
 - D. Paying a lender less that the debt you owe
7. Which of the following is an example of using credit to grow?
 - A. Birthday gift
 - B. Education
 - C. Emergency car repair
 - D. Vending machine snack

Post-session Questionnaire

ID _____

Circle the answer that you believe is correct.

1. Which of the following is a type of credit you can use more than once?
 - A. Revolving
 - B. Installment
 - C. Military
 - D. Service
2. Which of the following would increase the cost of credit?
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 - B. Education
 - C. Emergency car repair
 - D. Vending machine snack

ID _____

Location _____

Date _____

Session Evaluation

We hope you found today's session engaging and of value to you. Please share your opinions and comments so we may continue to improve the program. Thank you!

	<i>Excellent</i>	<i>Very Good</i>	<i>Good</i>	<i>Fair</i>	<i>Poor</i>
Overall , I feel the session was:					
Before the session statement:					
My knowledge and skills about the topic were:					
After the session statement:					
My knowledge and skills about the topic are:					
My confidence to apply what I have learned today is:					
	<i>Strongly Agree</i>	<i>Agree</i>	<i>Not Sure</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
During the session statements					
The instructions were clear and easy to follow.					
The time allocated was right for the topic.					
The slides were clear and helped my learning.					
The examples helped my learning.					
The examples were relevant to my situation.					
The instructor:					
was knowledgeable about the topic.					
delivered lesson in a clear and understandable manner.					
was engaging and encouraged interaction.					
was well-prepared.					
was approachable and open to questions.					
The session:					
met my expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
was of value to me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
has motivated me to take action.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Final Questions					
The most valuable thing I learned today was:	What was the least valuable part of the session and how could it be improved?				
Additional comments:					