

Lesson 5

Credit: Buy Now, Pay Later



Key Words

annual fee
annual percentage rate (APR)
bankruptcy
credit
credit history
credit report
debt
finance charge
grace period
interest
loan term

What You Will Learn to Do

- Appraise personal credit worthiness

Linked Core Abilities

- Take responsibility for your actions and choices

Skills and Knowledge You Will Gain Along the Way

- Identify the advantages of using credit
- Identify the various costs related to credit
- Compare common sources for building credit
- Discuss the factors to consider when establishing credit
- Define the key words contained in this lesson

Introduction

Think of a time you borrowed money from a friend or family member. Were you able to build a good borrowing reputation by promptly repaying the money? Were the terms to repay the money fair? When you are in a situation when you need to make a large purchase such as a car, you might need to borrow money from a bank or another financial business. To use this type of credit wisely and avoid problems, you need to know what is involved. In this learning plan you explore ways to use credit. You also consider your rights and responsibilities of using credit.

Note

You will find this lesson in your NEFE High School Financial Planning Program Student Guide.

For more information go to www.nefe.org or write:

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