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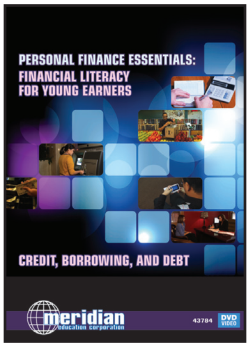
Instructor's Guide



Personal Finance Essentials:
Financial Literacy for Young Earners
Credit, Borrowing, & Debt

INTRODUCTION

This Teacher's Guide is designed to help you make the most of *Personal Finance Essentials: Credit, Borrowing, and Debt*. It will serve as a companion piece to the video presentation and will provide you with material to prep your students before viewing and reinforce key learning points post-view. It includes fast facts, vocabulary words, group activities, and more to supplement the learning experience.

PROGRAM DESCRIPTION

The "buy now / pay later" concept of getting lots of great stuff on credit is very attractive to young people—especially those with no experience in how easy it is to max out the cards and how quickly interest fees add up. This program will explain the basics of how credit works; provide tips on how to manage and get out (and stay out) of debt; lay out the pros and cons of using credit cards; instruct how to find and use a credit report and credit score; explain a few common consumer loans; mention a few alternative-type loans; give the warning signs of credit problems and suggest ways to manage debt to avoid credit problems in the future. The program offers candid insight into the problems that easy credit can cause and provides remedies to avoid or fix financial troubles that will resonate with young audiences.

LEARNING OBJECTIVES

After viewing this program, students will:

- Understand that credit, borrowing, and debt, when managed cautiously, make it possible for all of us to buy things we probably couldn't afford with cash, such as a car or house.
- Learn that buying on credit contributes to a multiplier effect; that is, with the initial purchase, other business transactions are triggered or multiplied (buying a house leads to buying insurance and furnishings for it, etc.).
- Recognize that signing up for credit cards is a legally binding contract that requires on-time payments of specified amounts based on the amount charged to the card along with interest accrued on carrying the balance.
- Know the different types of credit cards available and be able to understand basic credit card language such as credit limit, annual fee, default, etc.
- Be able to make informed decisions about the kinds and types of credit cards they'll be able to handle financially and the consequences of being late with or defaulting on payments.
- Understand the language that appears in a credit card statement.
- Find out how / where to get a credit report; understand what a good / bad credit score is and how to build / repair a good credit history.
- Learn how to check a credit report for fraud and errors and how to take corrective action.
- Recognize the relationship between a good credit score and creditworthiness (and vice-versa).
- Be aware of the necessary steps to follow in getting a car loan and buying a car.
- Become familiar with the process of applying for a mortgage loan and buying house.
- Understand the difference between a fixed rate and an adjustable rate mortgage.
- Gain a basic understanding of home equity and federal student loans along with alternative loans such as payday, car title and refund anticipation loans.
- Recognize the warning signs of credit problems or having too much debt and apply the signs to their own situation.
- Understand the advantages / consequences of debt consolidation loans / bankruptcy.
- Differentiate between fixed and variable expenses in preparing a budget.
- Learn ways to increase income and reduce expenses.
- Understand the importance of having / building a savings account.
- Be prepared with realistic tips to keep from becoming overwhelmed by debt.

PROGRAM OVERVIEW

A student's initial foray into the world of credit shouldn't lead to disastrous results. Yet that's often what happens when young people who have no experience in managing debt take advantage of credit card offers. This video will introduce viewers to what credit is and what it entails financially and legally. It will showcase the most common types of credit and how to get it, keep it viable and pay it off. *Personal Finance Essentials: Credit, Borrowing, and Debt* will also provide vital information on what's good about credit cards (and what's dangerous about using them more than you can afford to); how to find a credit report; how to use or repair your credit score; the importance of maintaining an accurate credit history, and how to build a good credit history if you're starting from scratch. The program also covers common consumer loans and some alternative loans, including car loans; mortgages; home equity and payday loans. The last two segments of the program are essential primers for those inexperienced with credit. They cover the warning signs of credit problems; how to recover from debt; how to manage debt and tips on staying out of credit trouble in the future. This video presents real-life situations that credit novices need before they make contractual agreements with lenders, and provides solutions to those viewers who have already created credit problems.

MAIN TOPICS

Segment 1: Introduction to Credit
This section of the program explains that many viewers may already be using some form of credit: phone service, college loans, or charge cards. It explains that credit is a legally binding contract and that using credit is good for the economy in that it stimulates more purchases via the multiplier effect.

Segment 2: Credit Cards—Pros & Cons
This part explains that credit cards are the most common type of revolving debt, and provides insight on how greater use of the card leads to more payments, higher balances (that may be unmanageable) and greater finance charges being tacked on. This portion also reviews the common types of cards; translates the language used in credit card statements; and gives viewers a realistic look at the pros and cons of the "buy now – pay later" allure of credit cards.

Segment 3: Credit Reports & Scores
This portion of the program defines a credit report and explains how it can affect credit adversely or positively. It provides information on how to get credit reports from the three leading reporting agencies; what to check the credit report for (fraud, incorrect information, etc.) and how to correct the report. This section also defines a good / poor credit score and explains how to obtain, maintain, and improve it.

Segment 4: Common Consumer Loans
This section is especially relevant for young consumers because it provides step-by-step instructions on how to get a car loan. It also explains mortgage loans and the difference between a fixed-rate mortgage and an adjustable-rate mortgage (ARM). Home equity loans and federal student loans are touched upon, followed by definitions of some of the clauses a typical loan may include. It concludes by explaining three of the riskiest loans that attract young, cash-strapped consumers: payday, car title, and refund anticipation loans.

Segment 5: Credit Problems
This portion of the program is a must-see for students who are already in trouble with credit and for students who want to avoid credit problems. Credit-problem warning signs are spelled out, followed by suggested remedies. Advantages, disadvantages and repercussions of debt consolidation loans and bankruptcy are explained also.

Segment 6: Managing Debt
This part deals with how to control debt: how to reduce it, eliminate it, and keep from getting in over your head in the future. It explains how to prioritize your debt, make a repayment plan, stick to a budget, reduce expenses, and increase income. It also gives tips on how to keep credit problems from recurring.

FAST FACTS

- Credit enables you to buy things that you couldn't afford if you had to pay cash. But it's how you use credit and manage debt that makes the difference between bad credit and good credit.
- Every time someone gets a loan, to buy a house for example, it creates the multiplier effect in the economy. This means that the loan enables you to buy the house, which in turn causes you to make other purchases such as carpeting, appliances, insurance, etc., which then multiplies the flow of income into other sectors.
- When you sign up for a credit card, you're entering into a legally binding contract that says you're borrowing money from the credit card company and that you'll pay it back—with interest—according to the credit card company's timetable.
- The more you use your credit card, the more payments you'll have to make—and the more interest you'll be charged. So use the card wisely and never charge more than you can afford to pay back—with interest!
- Be careful with credit card offers to "opt in"—which means that you can exceed the limit on your credit card (the amount you can charge). Opting in usually comes with a hefty over-the-limit fee.
- Try to pay off your credit card in full each month or at least more than the minimum required payment. That helps save on interest / finance charges and may keep you from going deeply into debt.
- Having a credit card means having to pay fees. Some cards charge a sign-up fee and others charge an annual fee just to have the card—even if you don't use it!
- If you're looking for a good way to establish yourself as a creditworthy person, check out a secured credit card—one that's secured by an amount of money deposited at the bank. Then be sure to make the required payments on the card to build a good credit history.
- It's better to make small payments on a credit card balance rather than not paying at all. Defaulting (not making payments) will hurt your credit rating and could prevent you from getting credit in the future.
- Watch out for those teaser rates advertised for credit cards! The offer is for a low interest rate—in the beginning—then at some point, the rate increases and the deal isn't nearly as good.

- If you're late with your credit card or loan payment, miss the payment entirely, or fail to pay the minimum required amount, you'll be charged a late fee and it can be hefty.
- Your credit report is a detailed record of all your credit transactions: loans, payments on credit cards and so on. It's used by lenders and other financial institutions to decide if they should extend credit to you and at what interest rate. You should also check into your credit report to make sure that there's no sign of fraud, identity theft, or financial or information errors.
- There are three main credit reporting agencies: Experian, Equifax, and TransUnion. By law, you're entitled to one free copy of your credit report each year from each agency. Get to all three via www. AnnualCreditReport.com or call 877-322-8228.
- Your credit history makes up your credit report. Then your credit score is calculated from the report using a standard formula. The credit score indicates how good (or bad) a credit risk you are. The higher your score, the more credit worthy you are.
- Credit scores range from 300 to 850 and less than 600 is considered to be a poor credit score. Ideally, you want your credit score to be above 700.
- Repairing a credit score means rebuilding your credit report and changing course on your credit history. Pay your bills on time and make more than the minimum payments on credit card balances. In other words, turn into a credit worthy person with a history of repayment.
- Before you visit a car lot to see what kind of car you want, visit your credit report and get your credit score. And do it at least a couple of months before looking for a loan so that you have time to fix any errors and work on building up a better credit score.
- Once you're ready to buy a car, shop around. Not for a car—for a car loan. Get an idea of how much the type of car you want to buy will cost. Find out what terms are offered by different financial institutions and try to get pre-approval from at least one of them.
- Avoid problems at the car lot: don't tell the dealer what you can afford to pay; make sure the dealer's using your correct credit score and check the dealership's price with an auto loan calculator: www.onlineloancalculator.org. And if you can make a down payment of at least 20%, you're good to go!
- Trade-ins are great ways to get more for your money when buying a car. Just make sure that you own the trade-in free and clear because if the dealer doesn't pay off your trade-in within the timeframe of your loan for it—you're still responsible for the loan.
- If you're thinking about getting a loan directly from the car dealer, make sure to compare their offer with the other ones that you researched. See if the dealer's loan is for the same amount and length of time. If it's not a good deal for you, don't take it.
- When searching for a mortgage loan to buy a house, condo, or apartment, the first step is to check your credit report and get your credit score. If your score is low, put off buying a home until you can improve it. A low score translates to paying a higher interest rate on the money you borrow.

- Adjustable rate mortgages (ARM) usually start off as fixed-rate, meaning the same rate for a certain period of time. But after this initial period, the interest rate can change: higher or lower. Choose an ARM with a cap (limit) on how high the interest rate can increase.
- If you're planning to own your home for a long time, a fixed-rate mortgage is an advantage in that you know how much to budget for your mortgage payment each month—it's fixed.
- Paying down your mortgage loan is good for a number of reasons: not only are you building a good credit history, you're building up equity in your home, which can then be used as collateral to get another loan for home improvement or a college education.
- Students looking for a low-interest federal loan to go to college only need to check out one source: the Direct Loan Program at www.dl.ed.gov.
- It's essential to understand all the terminology associated with loans, especially about clauses. If you stop making payments and your loan agreement includes a recourse clause, then the lender can garnish your wages—take your paycheck—to collect the balance due.
- Some alternative loans can be risky. Payday loans, car title loans, and refund anticipation loans often come with high fees and drastic default penalties. Don't sign up for an alternative loan if you can avoid it.
- If you don't know how much debt you have or if you frequently overdraw your checking account, those may be signs that you have credit problems and that it's time to solve them.
- Debt consolidation loans provide you with the money to pay off all your bills at once but at a cost: it's usually a long-term loan. So even though your monthly installments to repay the loan are less than what you were paying on individual debts, you'll be paying off the loan for a long time.
- Bankruptcy—declaring before a judge that you cannot pay your debts—may get you out of paying back your creditors but it also has a very negative effect on your credit rating and makes getting credit in the future tough.
- An essential part of managing debt is creating a budget and then sticking to it. Figure out your fixed and variable expenses. If there's less coming in than going out, you need to increase your income and reduce your expenses.
- Tips for reducing expenses and getting out of debt: spend less at the grocery store, shop at thrift stores, and cut down or cut out eating out! Put any money you save by doing this toward paying off debt.
- Looking for ways to increase income may be as close as your next-door neighbors: offer to baby sit for a competitive fee, walk dogs, do yard work, or run errands for busy families.
- If you think you're not going to be able to make your car payment on time, contact your lender immediately. If the car is repossessed, usually the only way to get it back is to pay off the loan in full—plus the cost of towing it away in the first place!
- If you're constantly falling short on income, it might be time to get a part-time job or a second job. Or consider giving up your car, if possible.

- Everybody needs a rainy day fund—a savings account. But if the interest you're paying on loans and credit cards is more than the interest you're earning on your savings, you might consider using some of the savings to get out of debt.
- The simplest way to fix credit problems seems to be the one that a lot of people have trouble with: stop buying on credit. If you can't afford to pay cash for something, simply don't buy it.
- Two foolproof ways to avoid becoming overwhelmed by debt: Plan how to spend your money before you receive it and stick to your budget.

VOCABULARY TERMS

acceleration clause—with loans, it means that a missed payment could entitle the lender to collect the entire balance due on the loan.

adjustable rate mortgage (ARM)—starts out with a fixed rate of interest; after a set period of time, the rate adjusts (changes) to a higher or lower amount according to the index it's tied to, such as securities issued by the Treasury.

alternative loans—a category of loans that are often risky in that they're costly and that the default penalties could be severe.

annual credit report—the scorecard by which lenders determine creditworthiness; it contains all financial activity within seven years—ten years if there's a bankruptcy involved.

annual percentage rate (APR)—the interest rate, expressed as an annual fee that you pay for borrowing money through the use of a credit card or a loan.

auto loan calculator—a tool you can access online to determine your monthly payment by entering data such as vehicle price, trade-in value, sales tax, interest rate, etc. Car dealerships also utilize auto loan calculators.

balance (in credit terms)—the amount you owe for charges on a credit card, charge card, or for money you've received through a loan.

bankruptcy—legal status declared by a court of law in which a debtor is released from partial or full repayment to creditors.

caps—limits on loans that dictate how high the interest rate can increase.

car title loans—enable you to borrow money and pledge your car as collateral to secure the loan. If you fail to pay, your car could be seized to satisfy the loan.

collateral—anything of value that is pledged as security for repayment of a loan.

credit—borrowing money to use for a designated amount of time (and pay back in a designated amount of time) in forms such as loans, credit cards, retail charge accounts, and so on.

credit card agreement—legally binding contract that states you'll pay back the amounts, with interest, that you charge to the card in the time frame dictated by the credit card company.

credit card statement—a monthly report of all the activity on your credit card, the amount owed, and any finance or service fees.

credit limit—the ceiling on the amount of charges you can put on a card.

credit report—detailed record of your credit history that shows all credit card accounts, loans, bankruptcies, late payments, and inquiries made into your credit background information.

credit reporting agencies—organizations that compile credit information into reports that summarize your financial history to be made available to lenders and financial institutions.

credit score—single most important item in getting a loan because it determines creditworthiness and has a direct bearing on how good an interest rate you can get on the loan. It's determined by what's in your credit report.

debt—what you owe when you take advantage of credit or borrow money; it includes interest on loans and on credit cards in addition to the payment due.

debt consolidation—loans to pay off all your creditors at once; in return, you pay off the loan, which is generally long term, with substantial interest.

default—failure to pay a debt such as defaulting on a loan.

deficiency clause—in a loan, it means that a lender can seize and sell any collateral to satisfy the amount you still owe on the loan once the recourse clause has been put into effect.

Direct Loan Program—federal government agency that provides low-interest loans for students and parents to help pay for a college education.

FICO—most commonly used credit score that you pay to get by going to www.myFICO.com. It's determined by the types of credit you have, payment history, amounts owed, etc.

finance charges—what you're charged to use the money that's been loaned to you through the use of a credit card; usually it's interest added to the balance but charges also could include service fees for transactions, late fees, and balance transfer fees.

fixed rate mortgages—loans that feature interest that stays the same over the life of the loan.

foreclosure—the action that a lending institution will take if you default on (don't pay) your mortgage loan; it forecloses on (takes possession of) your property and you no longer own it.

garnishing wages—the authority of a court or other public authority to deduct a percentage of your wages or salary to satisfy a debt for failure to repay the debt.

history of repayment—the record of credit card or loan payments you've made—on time, late, or defaulted on—that will appear in your credit report.

home equity loans—structured to use the equity you've built up in your house, apartment or condo as collateral to secure financing for another use, such as home improvements, medical bills, or college, for example.

late fees—amounts added to the amount you owe on your balance if you're late with your payment, don't make it, or pay less than the required minimum amount.

lien—legal claim or hold on a piece of property that can prevent it from being sold.

interest—fee you're charged for the use of the credit card. It's usually expressed as the annual percentage rate.

limited purpose credit cards—cards that can only be used at the store that issues them.

mortgage—a loan to buy a house.

multiplier effect—the economic principle that consumer spending in one area leads to increased consumer spending–and an increased flow of income—in other areas. For example, buy a house and then you'll need to buy furniture, carpeting, etc.

payday loans—loans that provide immediate cash and borrow against an upcoming paycheck or payday, usually at a high lending fee.

pre-qualify—pre-approval on a loan. To do it, you'll want to have a good credit score.

refund anticipation loans—loans that borrow against the refund that you anticipate receiving from the Internal Revenue Service (IRS).

repossession—the act of taking back something that was purchased on credit for failure to pay off the debt or loan; it most commonly refers to a car being repossessed.

required minimum amount—the lowest possible payment you can make on monthly credit card balances.

reward cards—credit cards that offer incentives, or rewards, for using the cards, such as frequent flyer miles.

revolving debt—refers to credit card or charge card debt that does not have a fixed number of payments. Payments are determined by how often and for how much the card is used.

secured credit cards—secured by a deposit at a bank for the amount of credit that's available to the user.

unsecured debt—accumulated debt that is not secured by any collateral.

PRE-PROGRAM DISCUSSION QUESTIONS

1. What do you think some of the charges associated with a credit card are?
2. What is a good credit score? What's a bad credit score?
3. Do you think bankruptcy is a good way to solve your credit / debt problems?
4. What are some of the warning signs of having too much debt?
5. What's the first step in buying a new car?

POST-PROGRAM DISCUSSION QUESTIONS

1. What is meant by required minimum payment and finance charges when you have a credit card?
2. How do you get a credit score and what do you use it for?
3. What are some of the consequences of defaulting on a loan, not paying for credit card charges, and declaring bankruptcy?
4. Name some of the ways to pay off your creditors and get out of debt.
5. What should you know before you visit a car dealership to look for a new car?

GROUP ACTIVITIES

Buying / Selling a Car
Divide the class into two teams, each with a captain who will play the role of car salesperson or car-buying customer. Each team develops a numbered list of five items for consideration in buying or selling a car along with potential situations that will challenge the role the other team plays (for example, a customer shows up with no idea of his credit score, or the car salesperson tries to sell a customer on getting the car loan straight from the dealership—at a terrible interest rate). Teams exchange the lists and before the buying / selling begins, each team figures out how to resolve any of the situations. The captains act out their roles in front of the class, with team members as back-up consultants who can offer suggestions. The winner is the team that resolves the greatest number of situations or obstacles to buying or selling a car.

Credit Card Problems & Solutions
Students appoint themselves to teams: one with credit problems, one with credit solutions. Team Problem compiles a list of three typical credit problems (e.g., don't know how much debt I have, credit cards are maxed out, etc.) and presents to Team Solution suggested ways to fix or stop the problem. Then the teams exchange roles with three new credit problems (or warning signs) and repeat the exercise by coming up with the solutions to the three new problems.

INDIVIDUAL STUDENT PROJECTS

Managing Debt
Students create a sample budget with income, fixed expenses, variable expenses, and a large amount of debt (with interest rate attached to a car loan, for example). Fixed expenses include payments to creditors that are more than income. Direct students to find ways to cut variable expenses and increase income. As part of the exercise, students should develop a repayment plan based on which debts to pay off first, including a debt-elimination timetable. The last part of the challenge includes students' ideas on ways to remain debt-free or keep debt manageable.

INTERNET ACTIVITIES

Use the Internet to research your credit report and determine your credit score. List the things you should check your credit report for. Go to www.AnnualCreditReport.com. If you've never had credit, detail the steps necessary to build a credit history and list some of the reasons why a good credit score is an advantage. Also, suggest ways to turn a bad credit score into a good one.

ASSESSMENT QUESTIONS

• Q 1: Some different types of credit include

a) credit cards

b) college loans

c) charge cards

d) all of the above

• Q 2: True or False: If you don't pay off your credit card balance each month, you'll rack up finance charges.

• Q 3: A credit report is

a) a detailed record of your credit history

b) something that the bank prepares

c) a report that you fill out for loan applications

d) a monthly statement from credit card companies

• Q 4: True or False: A credit score of 600 is considered good.

• Q 5: Once you've decided to get a loan to buy a car, you should

a) get your credit report and credit score

b) shop around for car loans to get the best rate

c) get pre-approval on at least one loan before heading to the dealership

d) all of the above

• Q 6: True or False: With a fixed rate mortgage, the interest rate stays the same over the life of the loan.

• Q 7: If you think that you can't make your car loan payment, you should

a) stop driving the car until you can make the payment

b) wait another month and then make two payments

c) contact your lender immediately to work out a plan for paying

d) park it off the street in a hidden area to avoid trouble

• Q 8: True or False: To get a low-interest loan for college, students should visit all the banks in their area to get quotes.

• Q 9: Some of the warning signs of credit problems are

a) you don't know how much debt you have

b) your checking account is frequently overdrawn

c) you don't have any money saved

d) all of the above

• Q 10: True or False: If your car is repossessed for non-payment of the loan, usually the only way to get it back is to pay off the loan in full.

ASSESSMENT QUESTIONS ANSWER KEY

• Q 1: Some different types of credit include
a) credit cards
b) college loans
c) charge cards
d) all of the above

A-1: **d**

A-1 **Feedback:** Just about everyone has some type of credit, whether it's a loan, a credit card, or even phone service, but it's how you use credit and manage debt that matters.

• Q 2: True or False: If you don't pay off your credit card balance each month, you'll rack up finance charges.

A-2: **True**

A-2 **Feedback:** Most credit card companies offer you the choice: make partial monthly payments (there's a required minimum amount) or pay the balance in full. If you carry a balance from month to month, you'll also pay finance charges.

• Q 3: A credit report is
a) a detailed record of your credit history
b) something that the bank prepares
c) a report that you fill out for loan applications
d) a monthly statement from credit card companies

A-3: **a**

A-3 **Feedback:** Your credit history makes up your credit report, which is used to calculate your credit score. By law, you're entitled to one free credit report annually from each of the three credit reporting agencies. Go to www.AnnualCreditReport.com to get yours.

• Q 4: True or False: A credit score of 600 is considered good.

A-4: **False**

A-4 **Feedback:** Credit scores range from 300 to 850 and a score of 600 is considered "bad" or too low to be considered a good credit risk. With a higher credit score, above 700, you're more likely to receive better interest rates when applying for loans.

• Q 5: Once you've decided to get a loan to buy a car, you should
a) get your credit report and credit score
b) shop around for car loans to get the best rate
c) get pre-approval on at least one loan before heading to the dealership
d) all of the above

A-5: **d**

A-5 **Feedback:** While your credit report is free, you must pay a fee to get your credit score (go to www.myFICO.com). By doing these things first, you have time to repair your credit report; get your credit score raised; be eligible for better interest rates on loans; get pre-approved on a loan; and go car shopping with a better understanding of what you can spend and what you can afford.

• Q 6: True or False: With a fixed rate mortgage, the interest rate stays the same over the life of the loan.

A-6: **True**

A-6 **Feedback:** With a fixed rate mortgage, your interest rate doesn't change, which means that you can always project your monthly loan payment.

• Q 7: If you think that you can't make your car loan payment, you should
a) stop driving the car until you can make the payment
b) wait another month and then make two payments
c) contact your lender immediately to work out a plan for paying
d) park it off the street in a hidden area to avoid trouble

A-7: **c**

A-7 **Feedback:** it's imperative that you contact your lender immediately if you don't have the money for your car payment. Together you can work out some type of arrangement to keep your car from being repossessed. Once your car is seized, usually the only way to get it back is to pay off the loan in full.

• Q 8: True or False: To get a good loan for college, students should visit all the banks in their area to get quotes.

A-8: **False**

A-8 **Feedback:** Students or parents seeking a low-interest federal loan to help pay for a college education should access the resources available from the Direct Loan Program. Visit www.dl.ed.gov for details.

• Q 9: Some of the warning signs of credit problems are
a) you don't know how much debt you have
b) your checking account is frequently overdrawn
c) you don't have any money saved
d) all of the above

A-9: **d**

A-9 **Feedback:** Ignoring credit problems will not make them go away; it will only make them worse. Improving your credit and getting out of debt is a series of small steps that everyone can handle: stop using credit cards, make a budget that includes repayment of debt, and stick to it, for starters.

• Q 10: True or False: If your car is repossessed for non-payment of the loan, usually the only way to get it back is to pay off the loan in full.

A-10: **True**

A-10 **Feedback:** If the car is towed away for non-payment, you will either have to come up with the entire amount of money owed on the car to get it back or it's gone for good.

ONLINE RESOURCES

- Credit card balances—www.lendingtree.com/credit-resources/advice/
- Finance charges—www.Bankrate.com
- Home equity loans—www.federalreserve.gov
- Interest charges—www.investopedia.com
- Secured credit cards—www.credit.com
- FICO credit score—www.myFICO.com
- Auto loan calculator—www.cars.com or www.onlineloancalculator.org
- Annual credit report—www.AnnualCreditReport.com

Equifax
P.O. Box 105873
Atlanta, GA 30348
www.equifax.com
1-800-685-1111

Experian (formerly TRW)
P.O. Box 2104
Allen, TX 75013-2104
www.experian.com
1-888-397-3742

TransUnion
Consumer Disclosure Center
P.O. Box 1000
Chester, PA 19022
www.transunion.com

1-800-916-8800 or 1-800-888-4213

- Liens—www.themoneyalert.com
- Low-interest loans for college—www.dl.ed.gov
- Credit card statements—www.careonecredit.com

ADDITIONAL INFOBASE LEARNING RESOURCES

Your Money, Your Life:
Empowering Young Adults to Get Their Money Right
Filled with straightforward guidance and practical knowledge, this program empowers young adults to get their financial lives on track and "give purpose to every penny." Hosted by actor Donald Faison (*Clueless* and TV's *Scrubs*), the video raises fiscal awareness and builds financial skills in a wide variety of areas—from banking and credit to investing, budgeting, insurance, and self-employment. Insights from hip-hop icon Russell Simmons and other artists are combined with advice from leading personal finance experts, including New York Times money reporter Ron Lieber and author Beth Kobliner *(Get a Financial Life: Personal Finance in Your Twenties and Thirties)*. Distributed by PBS Distribution. (60 minutes)

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DVD (chaptered) ISBN 978-1-61616-720-2

Taking Credit: Understanding Loans, Credit Cards, and Other Debts
Some people have a hard time qualifying for a loan, while others can walk into a bank empty-handed and leave with thousands of dollars in credit. The same goes for credit cards—although most consumers carry several, for an unfortunate few they are out of reach. But no matter how easy or difficult it is to borrow money, one thing is certain: paying it back is the real challenge. This program helps high school and college-level viewers understand the basics of financial credit systems, the best ways to obtain and manage credit, and how credit decisions can influence one's future. Focusing on credit cards, car loans, student loans, and mortgages, the program offers lighthearted dramatizations that illustrate good and bad borrowing and spending habits, and highlight discipline as the key to a great credit rating and sustained financial health. Students will also encounter the four C's of lending—capacity, credit, capital, and collateral. A viewable/printable instructor's guide is available online. A Cambridge Educational Production. (25 minutes)

Item: 37428
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DVD (chaptered) ISBN 978-1-4213-8277-7

Paying Your Way through College
To get to college, good grades and high hopes will take a person only so far. Sooner or later the subject of tuition will come up, and no amount of wishing will make it go away. Fortunately, a little creativity and a lot of determination can pay off—literally. This video will help viewers understand four key financial aid sources: scholarships, grants, work-study, and student loans. The program also offers tips on earning extra cash and includes the "High School Road Map to Financial Aid," an incredibly helpful schedule that spells out what to do and when to do it, starting with junior year. The key message? Don't assume a college education is unaffordable. Inspiring! A viewable/printable reference resource is available online.
A Cambridge Production. (29 minutes)

Item: 42033
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DVD (chaptered) ISBN 978-1-61733-177-0

Credit Card Cautions
One of today's rites of passage, from teenager to young adult, is the credit card. Armed with a brand-new credit card, many older teens and young adults gain immediate buying power, but not always knowledge of how to use credit responsibly. This program guides viewers through a maze of introductory rates, finance charges, credit reports, credit repair, card safety, and purchase decisions. First-person stories from credit card users and abusers as well as a credit counseling expert help viewers understand how credit cards actually work. A Meridian Production. (30 minutes)

Item: 25136
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DVD ISBN 978-1-4213-2579-8

The Road to Wise Money Management: Planning, Credit, and Your Paycheck
Adult financial life can be overwhelming. Among the most bewildering of adult responsibilities is money management. Balancing checkbooks, understanding bank statements, getting credit—all of these are complex and intimidating but necessary skills. Join Kate, a recent high school graduate living at home, as she struggles to get her finances in order. Realizing that she knows almost nothing about finance, she asks for help. The first thing she learns is the importance of a sound spending plan that takes into account the different types of expenses—fixed, flexible, and periodic. Learn how to set short-term goals (for a stereo or a prom dress) and how to set long-term goals (for a car or a house). A detailed breakdown of taxes reminds viewers that they will not get all the money they expect from their paychecks and illustrates where the missing money goes. We follow Kate as she balances and reconciles her checkbook, thus demonstrating the basic principles of money management. Finally, students learn about credit: how to get it, the advantages and disadvantages of the different types of credit cards, and interest and finance charges. The program concludes with an explanation of the Truth in Lending Law. A thorough and entertaining introduction to the basics of money management! A Cambridge Educational Production. (30 minutes)

Item: 14675
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DVD ISBN 978-1-4213-7028-6

Perils of Plastic: Handling Credit
For young adults just starting out on their own, couples planning for the future, and anyone who needs help learning to manage their money, one of the most important financial processes they need to understand is the use of credit. This program begins with a brief look at how credit fuels our economy and how advertisers entice consumers to go into debt to supposedly improve their social status. It also describes what credit is and why it is needed, the advantages and disadvantages of using credit, how credit is obtained, and how credit ratings work. Viewers also learn how to establish credit, how to use it wisely, the importance of good credit, and how it affects their futures. This informative presentation concludes with the danger signs of being over-extended and methods for dealing with the problem if it occurs. Give viewers the opportunity to avoid the dangers of credit downfalls and make informed decisions. A Cambridge Educational Production. (35 minutes)

Item: 14649
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DVD ISBN 978-1-4213-6314-1

Positive Credit
Looking for a car? Want to go to college? Want to start your own business? Are all of these ideas pipe dreams? Only until they come true. To make them come true, you need to know something about handling finances. Positive Credit is an information-packed program that teaches viewers how to make a budget, what savings and assets are, how to use credit, how to become eligible for credit, the ins and outs of credit ratings, and how to accept financial responsibility. Complete with interviews from credit counselors, financial planners, loan officers, and others, this program shows viewers how to acquire assets, establish collateral, and manage finances in a responsible way. A Cambridge Educational Production. (23 minutes)

Item: 14634
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DVD ISBN 978-1-4213-0521-9

Your Credit Record: Keeping It Clean
Whenever you establish credit by opening a charge account or borrowing through a bank, each transaction is reported to a credit bureau. This video explains to viewers that as they make payments, pay off debts, and apply for further credit, the bureau will continue to keep a complete record of their financial history. Viewers learn about a document called a credit report. A good credit report means individuals can quickly and easily get credit. This excellent program opens viewers' eyes to the seriousness of establishing credit and keeping their credit record clean. A Cambridge Educational Production. (22 minutes)

Item: 14632
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DVD ISBN 978-1-4213-0520-2

Using Credit Wisely: Mortgage and Equity Loans
Buying a home is probably the largest financial transaction most of us will ever make. Most of us take advantage of mortgage loans, which are loans designed specifically for buying real estate. *Using Credit Wisely* is a useful program that addresses first-time home buyers' concerns by taking viewers through the 9-step process of buying a home: 1) Research, 2) Determining your wants, 3) Finding a real estate agent, 4) Making an offer, 5) Signing a contract, 6) Applying for financing, 7) Processing the loan, 8) Obtaining insurance, and 9) Understanding closing costs. Although buying a home may appear to be a complex transaction, most of the problems and pitfalls can be avoided by doing the proper research and planning. This outstanding program helps viewers take advantage of the many resources available to help them in assessing and financing their real estate deal. A Cambridge Educational Production. (24 minutes)

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DVD ISBN 978-1-4213-0519-6

The Cambridge Car Buying System

Each day, thousands of unnecessary dollars are transferred from the pockets of novice consumers into the pockets of highly trained, professional car salespeople. This informative program portrays car buying as a three-act play, and coaches buyers on how to most effectively act out their role in the drama: researching, negotiating, and closing the purchase. The key to saving thousands of dollars on every car purchase lies in learning how to be a smart consumer by entering the process as an investigator armed with relevant information and a total understanding of the roles played by buyers and sellers. Viewers learn what information they should have before walking onto a car lot: where to get this information; how to take and keep control of the sale; and tips for driving away with the best car, price, and terms available. A Cambridge Educational Production. (38 minutes)

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DVD ISBN 978-1-4213-6871-9

Kick the Tires…Finding and Financing a Used Car

"Too many miles...too much money...too many rust spots...and...can I really live with neon orange?" Finding, much less affording, a reliable used car can be a giant exercise in frustration. There's so much to think about! Breathe a sigh of relief. This video provides clear-cut, specific information for the experienced as well as inexperienced car shopper. Don't know where to look? This video offers a number of options, some you may not have thought of, giving the pros and cons of each. It covers what to check when you find that special pre-owned vehicle that has potential—should you really kick the tires? And finally, this video discusses the financial part of the deal as well as the "legal stuff" to take care of when buying a car. A must for drivers of all ages to avoid future headaches. A Meridian Production. (21 minutes)

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DVD ISBN 978-1-4213-4270-2

Money Management Series

Learning how to manage money is one of the most important—and often one of the most difficult—lessons of life. This timeless four-part series provides a concise introduction to personal finance. A Meridian Production. 4-part series, 11–15 minutes each.

The Series Includes : Stashing Your Cash: Financial Services • Budgets Aren't for Pushovers: Budgeting, Goal-Setting, and Record-Keeping • Don't Shop 'Til You Drop: Credit and Consumerism • Building Your Money Pyramid: Financial Planning.

Item: 11513
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Don't Shop 'Til You Drop: Credit and Consumerism

Too many young adults equate easy credit with free money—a misperception that can quickly saddle them with huge financial burdens and years of payments. This program examines the benefits of credit, as well as the not-so-obvious pitfalls, including variable annual percentage rates and paying only the minimum payment. In a culture where consumerism is king, a knowledge of credit is essential to staying out of debt. A Meridian Production. (11 minutes)

Item: 11516
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DVD

Building Your Money Pyramid: Financial Planning

Even just a few dollars a day, properly handled, can help ensure a secure future. This program introduces the subject of financial planning. Topics such as creating an emergency savings fund, buying insurance, purchasing a house, and putting money into investments reinforce the vital importance of responsible money management. A Meridian Production. (13 minutes)

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DVD ISBN 978-1-4213-4239-9

Consumer Credit
This informative three-part series teaches viewers how to use credit, how to make a budget, and how to accept financial responsibility. Plus, it opens viewers' eyes to the seriousness of establishing credit and keeping their credit record clean, and addresses first-time home-buyers' concerns by taking viewers through the 9-step process of buying a home—from research to closing costs. A Cambridge Educational Production.

The Series Includes: Using Credit Wisely: Mortgage and Equity Loans • Your Credit Record: Keeping It Clean • Positive Credit

Item: 14629
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DVD ISBN 978-1-4213-0518-9

Managing Your Personal Finances
Everyone should learn financial responsibility, and this video provides clear-cut fundamentals on budgeting, checking and savings accounts, loans, and consumer credit. Viewers discover how to develop good credit while avoiding financial disasters as well as how to handle personal income and expenses. A Meridian Production. (27 minutes)

Item: 25822
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DVD ISBN 978-1-4213-5078-3

The series ***Personal Finance Essentials: Financial Literacy for Young Earners*** includes:
• Budgeting & Financial Decision-Making
• Checking Accounts & Everyday Banking
• Credit, Borrowing, & Debt
• Saving & Investing
• Taxes & Tax Benefits

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