



## Standard 4: Using Credit

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.1	<p>Discuss ways that consumers can compare the cost of credit by using the annual percentage rate (APR), initial fees charged, and fees charged for late payment or missed payments.</p> <p>Remarks and Examples: Use the APR, initial fees, late fees, nonpayment fees, and other relevant information to compare the cost of credit from various sources for the purchase of a product.</p>	<p>Module 2, Credit: "Breathing Without Air!"</p> <p>Module 6, Credit Cards: "Sucker Punch!"</p> <p>Module 7, Credit Cards: "Boxing Practice" (guided practice to Module 6)</p>
SS.912.FL.4.2	<p>Discuss that banks and financial institutions sometimes compete by offering credit at low introductory rates, which increase after a set period of time or when the borrower misses a payment or makes a late payment.</p> <p>Remarks and Examples: Explain why a bank may offer low-rate introductory credit offers.</p>	<p>Assignment 8 Steps 1 and 2</p>
SS.912.FL.4.3	<p>Explain that loans can be unsecured or secured with collateral, that collateral is a piece of property that can be sold by the lender to recover all or part of a loan if the borrower fails to repay. Explain why secured loans are viewed as having less risk and why lenders charge a lower interest rate than they charge for unsecured loans.</p>	<p>Assignment 12 Steps 1 and 2</p>

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.4	<p>Describe why people often make a cash payment to the seller of a good—called a down payment—in order to reduce the amount they need to borrow. Describe why lenders may consider loans made with a down payment to have less risk because the down payment gives the borrower some equity or ownership right away and why these loans may carry a lower interest rate.</p> <p>Remarks and Examples: Explain how a down payment reduces the total amount financed and why this reduces the monthly payment and/or the length of the loan. Explain why a borrower who has made a down payment has an incentive to repay a loan or make payments on time.</p>	<p>Assignment 10 Step 1  Assignment 13 Steps 1 and 2  Assignment 9 Steps 1 and 2</p>

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.5	<p>Explain that lenders make credit decisions based in part on consumer payment history. Credit bureaus record borrowers' credit and payment histories and provide that information to lenders in credit reports.</p> <p>Remarks and Examples: List factors from an individual's credit history or credit application that may cause a lender to deny credit. Explain what credit bureaus do.</p>	<p>Module 3, Credit Scores:  "Kick Some Buck!"  Assignment 11 Steps 1 and 2</p>

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.6	<p>Discuss that lenders can pay to receive a borrower's credit score from a credit bureau and that a credit score is a number based on information in a credit report and assesses a person's credit risk.</p> <p>Remarks and Examples: Explain the concept of a credit score and what it indicates about a borrower. Explain why certain factors, such as having many credit cards with large lines of credit and large balances, might hurt a credit score.</p>	<p>Module 3, Credit Scores:  "Kick Some Buck!"</p>

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.7	<p>Describe that, in addition to assessing a person’s credit risk, credit reports and scores may be requested and used by employers in hiring decisions, landlords in deciding whether to rent apartments, and insurance companies in charging premiums.</p> <p>Remarks and Examples: Provide two examples of how having a good credit score can benefit a person financially. Explain why employers find it useful to hire someone with a better credit score.</p>	<p>Module 3, Credit Scores: "Kick Some Buck!" Assignment 11 Steps 1, 2, 3 and 4</p>

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.8	<p>Examine the fact that failure to repay a loan has significant consequences for borrowers such as negative entries on their credit report, repossession of property (collateral), garnishment of wages, and the inability to obtain loans in the future.</p> <p>Remarks and Examples: Write a scenario about the future opportunities a person can lose by failing to repay loans as agreed.</p>	<p>Module 3, Credit Scores: "Kick Some Buck!" Assignment 11 Steps 3 and 4</p>

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.9	<p>Explain that consumers who have difficulty repaying debt can seek assistance through credit counseling services and by negotiating directly with creditors.</p> <p>Remarks and Examples: Identify the costs and benefits associated with using different credit counseling services.</p>	<p>Assignment 13 Steps 3 and 4</p>

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.10	<p>Analyze the fact that, in extreme cases, bankruptcy may be an option for consumers who are unable to repay debt, and although bankruptcy provides some benefits, filing for bankruptcy also entails considerable costs, including having notice of the bankruptcy appear on a consumer's credit report for up to 10 years.</p> <p>Remarks and Examples: Investigate the costs of bankruptcy by examining the bankruptcy laws in Florida.</p>	Module 16, Bankruptcy: "Broke!"

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.11	<p>Explain that people often apply for a mortgage to purchase a home and identify a mortgage is a type of loan that is secured by real estate property as collateral.</p> <p>Remarks and Examples: Predict what might happen should a homeowner fail to make his or her mortgage payments.</p>	Module 9, Renting a Pad: "Moving Out" Module 10, House Buying: "Buying a Home"

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.12	<p>Discuss that consumers who use credit should be aware of laws that are in place to protect them and that these include requirements to provide full disclosure of credit terms such as APR and fees, as well as protection against discrimination and abusive marketing or collection practices.</p> <p>Remarks and Examples: Explain why it is important that consumers have full information about loans. Explain the information on a credit disclosure statement.</p>	Assignment 15 Steps 1 and 2

Benchmark Code	Benchmark	FoolProof Module/Activity
SS.912.FL.4.13	<p data-bbox="646 196 1434 285">Explain that consumers are entitled to a free copy of their credit report annually so that they can verify that no errors were made that might increase their cost of credit.</p> <p data-bbox="646 293 1434 394">Remarks and Examples: Explain why it is important to check the accuracy of the information recorded on a credit report and know what steps to take to correct errors on credit reports.</p>	<p data-bbox="1465 196 1766 253">Module 3, Credit Scores: "Kick Some Buck!"</p>