

Module 2: Borrowing

Module Target Learning Outcome

Control personal credit and debt.

Lesson	Target Competencies and Supporting Objectives	Activities	Pages
2-1 Using Credit	Weigh the benefits and risks of borrowing. <ul style="list-style-type: none"> Discuss why people borrow. Give examples of acceptable and unacceptable situations to use credit. Explain how borrowing impacts the economy. 	Task: What do You Think? Activity 2.1: Borrowing Fitness Test Activity 2.2: What is the Reason? Assessment: Role Play	3-8
2-2 Credit Costs	Compare the costs and terms of borrowing options. <ul style="list-style-type: none"> Give examples of how credit is used. Identify typical costs and terms of credit. Calculate the cost of using credit. 	Task: Pick an Option Activity 2.3: Simply Tell the Total Activity 2.4: What is the Average Payment? Assessment Challenge 2-A: DECIDE the Best Deal for You Take it Home: Compare Phone Plans	9-15
2-3 Credit Rating	Start the journey to establish a good credit rating. <ul style="list-style-type: none"> Outline the credit application process. Describe what lenders consider when deciding whether to approve or deny a credit request. Explain how creditors investigate someone's borrowing habits. 	Task: Can I Borrow ... Task: Credit Application Activity 2-8: Put Your Best Foot Forward Assessment Challenge 2-B: Building Creditworthiness Take it Home: Investigate Late Payment Penalties Take it Home: Review a Credit Report	23-31
2-4 Rights and Responsibilities	Explore the rights and responsibilities of borrowers and lenders. <ul style="list-style-type: none"> Explain a borrower's legal rights and responsibilities when agreeing to a contract. Recite guidelines for borrowing limits. State where to get help with credit issues. 	Activity 2.6: Good and Bad Uses of Credit Activity 2.7: Know the Limit Activity 2.9: Rights and Responsibilities Assessment Challenge 2-C: Credit Code of Behavior Take it Home: Family Contract	16-34
2-5 Identity Fraud	Protect yourself from identity fraud. <ul style="list-style-type: none"> Give examples of identity fraud. Describe how to address problems of fraud. Give examples of ways to protect against fraud. 	Task: What's in Your Wallet? Activity 2.10: Take Preventative Action Assessment: Protection Identity Checklist Take it Home: Test ID Theft Savviness Take it Home: Online Privacy Settings	34-38

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Introduction to Lessons

Lesson 2-1: Using Credit

Credit cards, auto loans, home mortgages, pawn shops ... you've probably heard a lot about debt over the years—good and bad. But debt itself is actually neither. It's merely a tool to buy something now and pay for it later. How we use debt is what's good or bad.

In this lesson, students assess reasons to use or not use credit.

Lesson 2-2: Credit Costs

Even if you don't need to borrow money today, you'll soon be flooded with tempting offers for car loans, credit cards, cash-advance loans, cellphone service, and more. Boosting your borrowing IQ now will prepare you to make smarter decisions whenever you decide to take the credit plunge.

In this lesson, students calculate the costs of borrowing options.

Lesson 2-3: Credit Rating

Would you want to loan money to someone who can't or won't pay you back? And you probably wouldn't want to loan money to someone who took forever to pay you back.

Lenders, too, don't want to loan money to people who aren't responsible about paying it back. If they don't know anything about someone who is asking to use credit, the lenders have methods to predict if the money will be repaid and paid on time.

In this lesson, students get an inside peek at what lenders look for when someone applies for a loan or a credit card. This will help students take steps now to make a positive impression later for a potential lender.

Lesson 2-4: Rights and Responsibilities

You probably don't think of a loan or credit-card application as a contract, but it is. By signing on the dotted line, you're entering into an agreement between you and the lender about what each of you must or must not do. You have responsibilities you have to meet to uphold your end of the contract, but so does your lender.

Your responsibilities include not taking on more debt than you can afford. Find out how much is too much and learn more about the legal rights and responsibilities of borrowing.

In this lesson, students use what they learn to write a code of conduct for borrowing.

Lesson 2-5: Identity Fraud

Everyone needs to take precautions to protect personal information from being used by others without permission. Identity theft and fraud are big business—costing victims, companies, and governments billions of dollars a year. Even if you are able to fix a fraud problem without losing money, it will take you more time than you want to spend to gather evidence and inform others about the issue.

In this lesson, students plan ways to protect themselves from being a victim of identity fraud.