



Credit Check Module

Instructor's Guide

The course will be interactive with hands-on activities focusing on budgeting and saving aspects to help students have a better financial footprint. Participants will receive take-home materials to allow for other household member involvement in order to keep the lines of communication open about the impact finances have in their daily lives.

Objectives

- Understand what credit is
- Learn the positive and negative aspects of credit
- Increase knowledge of the role credit reports and credit scores play in your financial footprint
- Increase knowledge of how to improve your credit report and score

Course Structure: The structure has been built for a 60-minute class. The following is the class outline.

- Students arrive and sign in. Course should start promptly at given time.
- Classroom introductions with Ice Breaker activity (10 minutes)
- Lesson: Credit Check (45 minutes)
 - Activity 1: When is Credit (Debt) Worth It to You?
 - Activity 2: What's the Real Cost?
- Conclusion: Q & A and filling out class evaluation/survey (10 minutes)
- Students should receive take-home course material and course completion certificate.

Included in this packet: PowerPoint presentation, class sign-in sheet, in-class handouts, take-home summary sheet, class certificates and student assessments.

In-class handouts:

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| - Financial Fitness Toolkit | - Credit Report Review Checklist |
| - When is Credit (Debt) Worth It to You? worksheet | - What's it Real Cost? PowerPoint slide printout |
| | - Class summary sheet |

Additional materials needed:

- Calculator
- Laptop, projector
- Scratch paper or notepad
- Writing utensils – pens, pencils, black sharpie

Curriculum sources are the Federal Deposit Insurance Corporation, Purdue University Extension and University of Illinois Extension. Additional information available at NIBOA.org.

CLASS ACTIVITIES

Ice Breaker: Who Loans Money? Question (5 minutes)

- GOAL: To see if student know who in their community loans money.
- MATERIALS - None
- INSTRUCTION
 - Ask the question – “Who Loans Money?”
 - Group discussion. Give the participants a couple of minutes to come up with a few answers.
 - Answers (not a complete list):
 - Banks
 - Car companies/dealers
 - Credit card companies
 - Credit unions
 - Employers
 - Family
 - Friends
 - Government
 - Mortgage companies
 - Pawn shops
 - Payday loan centers
 - Schools/colleges
 - Utility companies

Activity 1: When is Credit (Debt) Worth It to You? (10 minutes)

- GOAL: To weigh the cost of using credit over cash in every day financial decisions.
- MATERIALS
 - When is Credit (Debt) Worth It to You? worksheet
 - Writing utensils, pen or pencil
- INSTRUCTION
 - Worksheet directions:
 - Place an **X** in the *Yes* or *No* box next to each of the following statements.
 - If your Yes/No answer is conditional, then note that condition in the *Only If* box.
 - For all questions, answer the *Why?* question at the end.
 - Discussion questions:
 - What are the benefits of using credit? What does it cost to use credit? When is not a good idea to use credit? When is it a good idea to use credit?

Activity 2: What’s the Real Cost? (10 minutes)

- GOAL: Explore how borrowing money affects the cost of an item.
- MATERIALS
 - What’s the real cost? PowerPoint slide printout (one with TV icon on it)
 - Writing utensils, pen or pencil
 - Scratch paper or notepad
 - Calculator
- INSTRUCTION
 - Print the *What’s the real cost?* PowerPoint slide to distribute to the class. You will only need as many as the number of small groups you have.
 - The chart on the slide provides the answers to all questions, except #3. This one may require a little math.
 - To reuse these sheets, you might want to lament.
 - Split the group into small teams and have them work out the cost calculation on the next slide. After all complete go through exercise together and open up class discussion.
 - Answers:
 - Question 1 – \$232
 - Question 2 – \$624
 - Question 3 – 17 weeks
 - Question 4 – Interest charges are high
 - Question 5 – Cash
 - Question 6 – [student opinion]