

Advanced Budgeting

Achieving big goals requires taking financial decision-making to the next level. This includes taking preparations to qualify for a mortgage, building healthy credit, buying auto insurance, and avoiding identity theft.

1. Draw a down arrow for negative impact, an up arrow for positive impact, and a dash for no impact.

- ☒ You make on-time payments for an auto loan.
- ☐ An employer makes a soft inquiry on your credit report.
- ☒ You keep a credit card account open for years.
- ☐ A landlord makes a hard inquiry on your credit report.
- ☐ You quit a job and are temporarily without income.
- ☐ You open a new credit account.

2. True or False (circle one):

T ☒ Private Mortgage Insurance is required unless you have a credit score about 700.

3. Circle the scenarios that qualify as identity theft.

☒ Someone poses as you to use your health insurance.

Someone calls to ask if you'd like an extended warranty on a product you don't own.

Someone solicits you for money during the holidays.

☒ Someone opens a credit card account in your name.

4. Match the correct definition with it's correlating vocabulary term.

☒ Deductible — The amount you pay before insurance kicks in and covers costs.

☒ Debt-To-Income Ratio — Paying a loan off in installments, rather than one lump sum.

☐ Amortize — A calculation that divides the debt you have by the amount of money you make.

5. What's your biggest takeaway?

Answers will vary.