

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 F 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?
