

Credit

Credit is the ability to borrow money with the promise to pay it back with interest. Borrowing with credit can be done through loans and credit cards. A credit score is a foundational building block that is determined by your ability to pay back your creditor and helps potential lenders know how much to lend you and at what interest rate.

1. List some benefits to using credit:

2. List some risks to using credit:

3. Determine what scenarios positively or negatively impact your credit score by writing a (+) next to anything that positively impacts your score and a (-) next to anything that negatively impacts it.

- _____ Missed Payment
- _____ A High Credit Utilization
- _____ Age of Credit
- _____ Applying for Several Credit Cards Within a Short Period of Time
- _____ Loans in Collections
- _____ Making Payments On-Time
- _____ Multiple Lines of Credit

4. A credit score ranges between what two numbers?

_____ - _____

5. A good credit score is generally considered to be _____ or higher.

6. What's your biggest takeaway?
