**Student Guide: “How can a bogus charge impact your credit score?”**

**A Lesson in:**

* Consumer Payment History
* Assessing Risk
* Annual Credit Report

**Before the Reading:**

1. **What’s Up?** If someone asks you, “how is your day?” *What are the things you think about before you answer?*

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1. **Measure it.** The kinds of things you think about are your “tools of measurement.” This is how you are able to make a decision about your day. Do you know anyone who always tends to be “happy,” or is known for being “sad?” Might they have a different “tool of measurement” for how their day goes? Maybe you hear them tell you a story about their day, and you think, “really, that made you sad?” or “really, that is all it takes to make your day great?” *Write about a time when you were surprised at a reaction to an event that your friend experienced that would have impacted you differently.*

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1. **The need to compare.** When it comes to comparing the kind of day we had while texting friends, or talking with family, that is a simple measure that is up to the individual to decide. When people compare finances, and their ability to make financially responsible decisions, we need a single standard for which to compare. *What do people use to compare how responsible they are with money?*

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1. **Predict.** The credit score is a tool of measurement used by financial institutions to determine if you are worthy of a loan. *How do you think a credit score is determined?*

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1. **Predict.** Americans’ credit scores are up across the country, but their knowledge on what really surrounds the credit score just doesn’t measure up. *Write down what you think it means to have a good credit score.*

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1. **Score or scores?** *How many scores can one person have? Why is that?*

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1. **Quiz it!** Go to the site: <http://creditscorequiz.org/> and take the quiz. *On a piece of paper, write down each of the topics and the answers to the quiz’s questions.* Attach your answers to this page.

1. **Evaluate.** *How did you perform on the quiz? Would you say that you know about credit scores?*

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1. **Summarize.** *What kinds of things did you understand from the website? What did you learn by taking the quiz?*

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**During the Reading with Newspapers in Education:**

1. **Explore.** Read the attached Dear Penny to find out what happened to “D” and the advice Penny provided. *Record your findings.*

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| **What happened to “D”** |  |
| **What advice did Penny provide?** |  |

1. **Things that make you go ‘huh?’** *What surprises you in the article?*

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1. **Assessing risk.** Lenders will pay to receive a borrower’s credit score from a credit bureau. That number is based on information in a credit report and is used to assess a person’s risk. *Do you think the credit score system would be helpful in helping make good decisions for those who are lending money? Why?*

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1. **Financial Report Card.** In addition to assessing a person’s credit risk, credit reports and scores may be requested and used by landlords when deciding whether to rent an apartment, as well as insurance companies when charging premiums. *Do you think this is fair? Why or why not?*

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1. **Hire or fire?** *Why do you think that potential employers may use your credit score to make a decision about hiring their employees?*

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**After the Reading:**

1. **Determine.** Review a sample credit report at <https://www.myfloridacfo.com/ymm/creditanddebt/credithistory/YourCreditReport.aspx> . *Why is it important to review your credit score?*

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1. **Share.** *Write a letter to a parent that shares what you have learned about credit scores. Be sure to cite your references.*

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**Extension** Create a “pocket guide” to understanding your credit score. Use a 3x5 or 4x6 index card to teach the basics about both affecting and understanding a credit score. Use one side of the card for “influencing your credit” and the other side for “understanding your credit score.”