



Math Virtual Learning

Fa Personal Finance

April 21, 2020



Lesson: April 21, 2020

Objective/Learning Target: Students will learn the difference between the two different types of credit and the information that makes up a credit account.

Success Starter

<https://www.youtube.com/watch?v=crJMCfwrV6M>


Watch this video for the difference of close ended and open ended credit.

Write down any information that you find important.

As you read the next slides make sure to write down important information concerning the different types of credit and the information that makes up your credit account.

Consumer (personal) Information

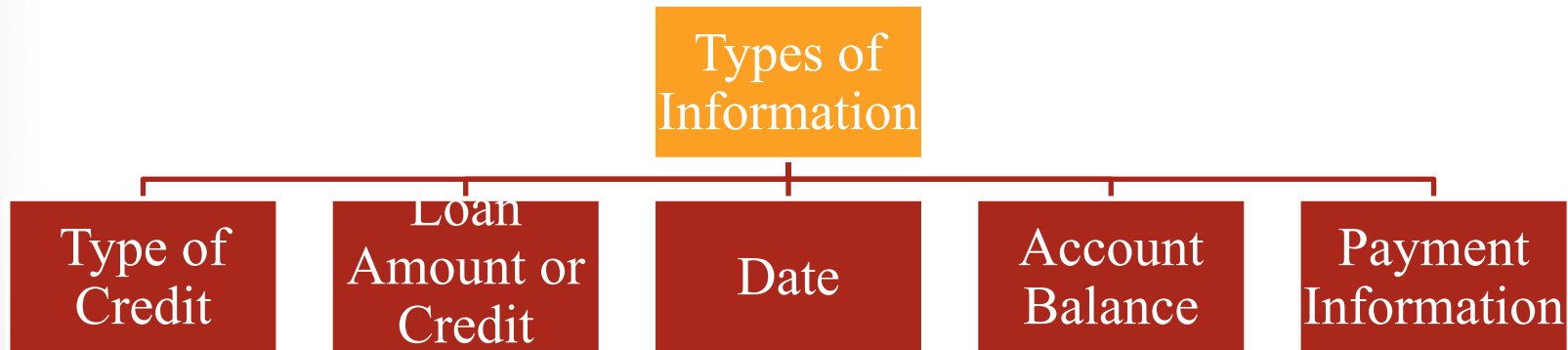
Information
provided to lenders
when applying for
credit



- Name
- Current and previous addresses
- Telephone number
- Full or partial social security number
- Date of birth
- Employment history

Credit Account Information

Specific information about each credit account
you have or have had



Types of Credit

	Closed-end credit <u>(installment)</u>	Open-end credit <u>(revolving)</u>
Definition	Borrower repays a specified number of equal payments	Line of credit established in advance
Features	Contract outlines repayment terms	Borrower chooses how much to pay
Examples	Automobile loans Education loans Mortgages	Credit cards

Types of Credit

What section of the Sam's Electronic World account on Isabella's credit report describes the type of credit?



Address:
123 MAIN STREET
ANYWHERE, AZ 00000

Account Number:
3624****

Status: Open/Past due 60 days.

Date Opened:
02/2009
Reported Since:
02/2010
Date of Status:
10/2012

Last Reported:
10/2012

Type:
Revolving
Terms:
N/A
Monthly Payment:
\$0
Responsibility:
INDIVIDUAL

Credit Limit/Original Amount:
\$500
High Balance:
\$550
Recent Balance:
\$84 as of 11/2012
Recent Payment:
\$0

Account History:
60 days as of 10-2012
30 days as of 09-2012

Is this a closed-end or open-end credit account?



Loan Amount/Credit Limit

Closed-end
Total amount of loan

Open-end
Credit limit
(maximum dollar amount
that can be borrowed)

What sections of
Sam's Electronic
World account
describe
loan amount/
credit limit?



SAM'S ELECTRONIC WORLD		
Address: 123 MAIN STREET ANYWHERE, AZ 00000		Account Number: 3624****
Status: Open/Past due 60 days.		
Date Opened: 02/2009	Type: Revolving	Credit Limit/Original Amount: \$500
Reported Since: 02/2010	Terms: N/A	
Date of Status: 10/2012	Monthly Payment: \$0	
Last Reported: 10/2012	Responsibility: INDIVIDUAL	
Account History: 60 days as of 10-2012 30 days as of 09-2012		
		High Balance: \$0
		Recent Balance: \$84 as of 11/2012
		Recent Payment: \$0

Date Account Was Opened

What section of Sam's Electronic World account describes date opened?



SAM'S ELECTRONIC WORLD		
Address: 123 MAIN STREET ANYWHERE, AZ 00000	Account Number: 3624****	
Status: Open/Past due 60 days.		
Date Opened: 02/2009	Type: Revolving	Credit Limit/Original Amount: \$500
Reported Since: 02/2010	Terms: N/A	High Balance: \$550
Date of Status: 10/2012	Monthly Payment: \$0	Recent Balance: \$84 as of 11/2012
Last Reported: 10/2012	Responsibility: INDIVIDUAL	Recent Payment: \$0
Account History: 60 days as of 10-2012 30 days as of 09-2012		

Account Balance

Amount the borrower still has to pay back to the lender

What section of Sam's
Electronic World account
describes account balance?



SAM'S ELECTRIC		
Address: 123 MAIN STREET ANYWHERE, AZ 00000		Account Number: 3624****
Status: Open/Past due 60 days.		
Date Opened: 02/2009	Type: Revolving	Credit Limit/Original Amount: \$500
Reported Since: 02/2010	Terms: N/A	High Balance: \$999
Date of Status: 10/2012	Monthly Payment: \$0	Recent Balance: \$84 as of 11/2012
Last Reported: 10/2012	Responsibility: INDIVIDUAL	Recent Payment: \$0
Account History: 60 days as of 10-2012 30 days as of 09-2012		

Payment Information

What sections of Sam's Electronic World account describe payment information?



SAM'S ELECTRONIC WORLD		
Address: 123 MAIN STREET	Account Number: 3624****	
Status: Open/Past due 60 days.		
Date Opened: 02/2009	Type: Revolving	Credit Limit/Original Amount: \$500
Reported Since: 02/2010	Terms: N/A	High Balance: \$550
Date of Status: 10/2012	Monthly Payment: \$0	Recent Balance: \$0 as of 11/2012
Last Reported:	Responsibility: INDIVIDUAL	Recent Payment: \$0
Account History: 60 days as of 10-2012		
30 days as of 09-2012		

Public Records

Information from federal, state and county
public court records

Collection Agencies

- Businesses hired by lenders to pursue payments on debts not paid back according to contract

Bankruptcy

- When an individual or business is not able to repay outstanding debts

Tax liens

- Taxes not paid in full

Foreclosure

- Borrower fails to keep up with mortgage payments and the lender takes possession of the property

Does Isabella have any public records?



Potentially Negative Items

Public Records

Credit lenders may carefully review the listed items below when they check your credit history. Please note that the account information with some public records, such as a lien or judgment, may also appear later in this report.

CITY OF ANYWHERE COURT CLERK

Address:

1 COURTHOUSE LANE
ANYWHERE, AZ 11000

Identification Number:

10-11-15

Plaintiff:

CITY OF ANYWHERE

Status:

Collection account - \$680 past due as of 12-2012

Status Details:

The item was verified and updated as in Dec 2012.

Date Filed:

06/01/2012

Claim Amount:

\$358

Date Resolved:

N/A

Liability Amount:

N/A

Responsibility:

INDIVIDUAL

MAIN COLLECTION AGENCY

Address:

1001 TOWN BLVD
ANYWHERE, AZ 10000

Account Number:

000102331****

Status: Collection account - \$680 past due as of 01-2013

Date Opened:

07/2004

Type:

Revolving

Reported Since:

08/2004

Terms:

N/A

Date of Status:

10/2012

Monthly Payment:

\$0

Last Reported:

10/2012

Responsibility:

INDIVIDUAL

Credit Limit/Original Amount:

\$550

High Balance:

\$680

Recent Balance:

\$680 as of 10/2012

Recent Payment:

\$0

Account History:

90 days as of 05-2012

60 days as of 04-2012

30 days as of 03-2012

Unpaid traffic
ticket which
City of
Anywhere
turned over to

Main

Exit Ticket

What are the two types of credit?

What information makes up a credit account?

Make sure to keep this information as it will be used in tomorrow's lesson.