

Extension: “Borrowing” Quiz

Name _____

Date _____

Your Turn Answer the questions below to check your understanding of borrowing.

- Which of the following is NOT a good tactic for developing credit?
 - Get a secured loan or a secured credit card.
 - Apply for an unsecured credit card.
 - Make payments on time.
 - Borrow up to 10 percent of your limit, and pay it back each month.
 - Find a cosigner.
 - All are valid tactics for developing credit.

- How is a secured loan different from an unsecured loan?

- What is the difference between points and fees on a loan?

- List two ways to avoid credit card pitfalls:

- _____
- _____

- List three things that you will be asked on loan applications:

- _____
- _____
- _____

- What does FICO stand for?

- Federal Interest Committee Organization
- Fair Isaac Corporation
- Fair Interest Community Oversight
- None of the above

- True or False: 700–759 is a “Great” FICO score. T _____ F _____

- What does FAFSA stand for?

- Federal Application For Student Assistance
- Fair Aid from Federal Subsidiary Accounts
- Free Application for Federal Student Aid
- None of the above