Unit 7: Module 5: Credit Records and Laws/Your Financial Future

Content Area: **Business Education**
Course(s): **Naval Science 1, Personal Financial Literacy**
Time Period: **February**
Length: **5 blocks**
Status: **Published**

Enduring Understandings

Your credit rating is a measure of creditworthiness based on an analysis of your credit and financial history.

The government has passed several laws to protect consumers from unfair credit practices.

Risk is a state of uncertainty where some of the possibilities may result in loss or another undesirable outcome.

Consumers can protect themselves from many different types of risk through the purchase of insurance coverage.

Essential Questions

How will my ability to handle credit responsibly affect my financial future?

How can I protect myself and my assets?

Content

Vocabulary

Credit rating

Point system

Credit score

Discrimination

Debt collector

Renter’s policy

Homeowner’s policy

Endorsement

Co-insurance clause

Personal property floater

Liability coverage

Uninvited guest

Attractive nuisance

Collision coverage

Comprehensive coverage

Personal injury protection

No-fault insurance

Assigned-risk pool

Umbrella liability insurance

Skills

Describe credit ratings and a point system used for evaluating credit.

Outline the contents of a credit report.

Discuss major credit laws and explain how they protect consumers.

Explain the purpose and provisions of renter’s insurance.

Describe the need for and coverage provided by homeowner’s insurance.

Discuss common types of automobile insurance coverage.

Explain the concept of umbrella liability insurance.

Resources

Credit Scores

Sample Credit Report1

Sample Credit Report2

Sample Credit Report3

Insurance

High School Financil Planning Program: Student Guide

Standards

PFL.9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.
PFL.9.1.12.C.2	Compare and compute interest and compound interest and develop an amortization table using business tools.

PFL.9.1.12.C.3	Compute and assess the accumulating effect of interest paid over time when using a variety of sources of credit.
PFL.9.1.12.C.4	Compare and contrast the advantages and disadvantages of various types of mortgages.
PFL.9.1.12.C.5	Analyze the information contained in a credit report and explain the importance of disputing inaccurate entries.
PFL.9.1.12.C.6	Explain how predictive modeling determines “credit scores.”
PFL.9.1.12.C.7	Analyze the rights and responsibilities of buyers and sellers under consumer protection laws.
PFL.9.1.12.C.8	Identify the types and characteristics of predatory lending practices (e.g., payday loans, car title loans, high-risk mortgages).
PFL.9.1.12.C.9	Evaluate the implications of personal and corporate bankruptcy for self and others.