

# Unit 5 - Credit Records and Laws/Your Financial Future

Content Area: **Business Education**  
Course(s): **Personal Financial Literacy**  
Time Period: **January**  
Length: **6 weeks**  
Status: **Published**

## Enduring Understandings

---

[Samples](#)

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

---

[Samples](#)

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**

---

### [Bloom's Taxonomy](#)

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**

---

## **Standards**

---

NJ: 2014 CCCS: 21st Century Life and Careers

NJ: Grade 12

9.1 Personal Financial Literacy

Strand C: Credit And Debt Management

9.1.12.C.5 Analyze the information contained in a credit report and explain the importance of disputing inaccurate entries.

9.1.12.C.6 Explain how predictive modeling determines "credit scores."

Strand G: Insuring And Protecting

9.1.12.G.2 Differentiate between property and liability insurance protection.

9.1.12.G.3 Compare the cost of various types of insurance (e.g., life, homeowners, motor vehicle) for the same product or service, given different liability limits and risk factors.

9.1.12.G.5 Differentiate the costs and benefits of renter's and homeowner's insurance.

9.1.12.G.6 Explain how to self-insure and how to determine when self-insurance is appropriate.