

## Challenge 2-B: Building Creditworthiness



**NAME:**

**DATE:**

Write a letter to a potential lender or deliver a verbal sales pitch to defend your creditworthiness. Base the presentation on your current and near future circumstances. This will include an assessment of your situation plus an explanation of ways you can build on favorable behaviors and modify unfavorable behaviors.

As you work through the lessons and activities in NEFE's High School Financial Planning Program, compile your completed challenge activities into a personal financial planning portfolio. For this challenge task, use what you have learned in **Lesson 2-3: Credit Rating** to lay the foundation for a good credit score. Summarize what you can do to make a good impression for potential lenders.

### Directions

1. Assess your current borrowing reputation (character) and your situation regarding capital and capacity. Summarize your level of readiness to take on credit when you are legally able to enter into contractual agreements. How do you predict lenders will rate you? Are you a high, medium, or low risk?
2. Think about the actions and habits you can apply to make a favorable impression to a creditor in spite of your young age and limited credit history. Use what you have learned about credit reporting and scoring to determine what you can do now as a teenager and as you transition into adulthood to establish credit history and a favorable credit rating. Preview the criteria listed in the Scoring Guide to plan your work.
3. Self-assess your work using the Scoring Guide. Optional: Ask a classmate or family member to peer assess your work using the Scoring Guide.

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Required Criteria		Status	
<b>Content</b>			
1.	You summarize your level of readiness to take on credit by rating yourself as <i>high, medium, or low</i> risk.	acceptable	not acceptable
2.	You provide evidence of how your borrowing reputation (character) is acceptable or unacceptable.	acceptable	not acceptable
3.	You state specific behaviors that you currently display or will apply to impress a potential lender that you are a responsible borrower.	acceptable	not acceptable
4.	<u>Without</u> providing specific personal financial data (such as account details or dollar amounts), you summarize how your capital condition is acceptable or unacceptable.	acceptable	not acceptable
5.	You state specific strategies that you currently or will apply to give a potential lender confidence that you can manage your funds and repay on time.	acceptable	not acceptable
6.	<u>Without</u> providing specific personal financial data (such as income dollar amounts), you provide evidence of how your capacity situation is acceptable or unacceptable.	acceptable	not acceptable
7.	You state specific strategies that you can apply to give a potential lender confidence that you can repay whatever amount is borrowed.	acceptable	not acceptable
8.	You state at least two ways that a favorable credit rating can potentially benefit you financially.	acceptable	not acceptable
9.	You state at least two strategies to overcome barriers that may impact your ability to build a credit history and favorable credit rating.	acceptable	not acceptable
<b>General</b>			
10.	Action strategies are appropriate according to the standard borrowing guidelines reviewed during learning sessions.	acceptable	not acceptable
11.	Content is clearly presented in a logical manner according to your instructor's standards.	acceptable	not acceptable

Feedback: \_\_\_\_\_

Score: \_\_\_\_\_ / \_\_\_\_\_