

Credit Basics

Interactive Workbook

Supplemental material for Credit Basics

This workbook contains the supplemental material for the **Credit Basics course**, brought to you by The Academy.

How to use:

1. This is an interactive workbook, which allows you to type and save your answers for future reference. If you prefer to write, you can also print the workbook.
2. As you complete the course, use the workbook to answer questions and take notes. This simple step will help the information “stick” so you remember it.
3. Bank of America has various resources that provide useful information about credit. You can access two of these tools by scanning the QR codes below.

To learn more, scan the QR codes below with your mobile device.



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Understanding credit and life priorities

There are many reasons to invest time in learning about the basics of credit. This module explains the opportunities good individual credit can bring and helps you understand the types of credit available for different credit needs.

What inspired you?

Something inspired you to want to learn more about credit. What is your primary reason?

- Personal finances
- Job skills
- College program
- Other: _____

Credit affects everyone and is used by individuals and businesses.



Types of credit:

List the four primary types of credit.

1. _____
2. _____
3. _____
4. _____

Credit may play a role in your life in ways you've never even considered.

Credit needs:

Why do people need credit?

Self reflection:

What are your life priorities?

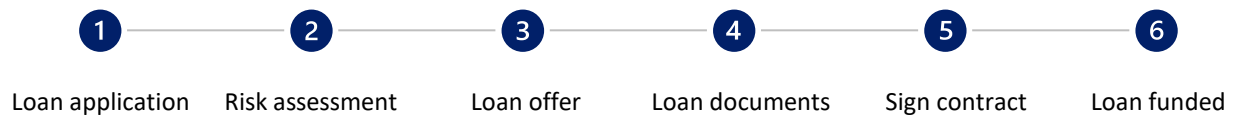
How will credit help you achieve your goals?



The credit process and best practices

The credit process is important for both borrowers and lenders for ensuring loans are made in a responsible and sustainable manner. This module walks through the general credit process and explains the steps to acquire, build, and improve your credit.

The credit process



The amount of credit extended depends on the creditworthiness of the applicant.



5 C's of Credit:

List the five factors lenders evaluate in applicants.

1. _____
2. _____
3. _____
4. _____
5. _____

CREDIT SCORE

Your credit score is a number that measures your creditworthiness.

Your credit score can also be a measurement of how your debt is affecting your financial health.

Using credit wisely and managing debt effectively is the key to a good credit standing.



Credit score:

What is the weight (%) of each factor that impacts the credit score?

%	%	%	%	%
Payment history	Amounts owed	Length of credit history	Credit mix/types	New credit



Notes

