

Name _____

Period _____

Vocabulary Credit/Saving Student Worksheet

1. Interest:

2. Collateral:

3. Cosigner:

4. Default:

5. Bankruptcy:

6. Garnishment:

7. Credit:

8. Annual percentage rate (APR):

9. Credit rating (FICO):

Vocabulary Credit/Saving Teacher Key

1. **Interest:** Cost of credit
2. **Collateral:** Security on a loan (house, jewelry, car, etc.)
3. **Cosigner:** Second signer who will pay for the loan if the first party defaults
4. **Default:** Failure to repay a loan
5. **Bankruptcy:** Legally getting out of having to repay debts; destroys credit rating for seven years; admitting and accepting financial failure.
6. **Garnishment:** Your employer pays your creditor before you receive pay.
7. **Credit:** Allows immediate use of products or services in exchange for a promise to pay in the future.
8. **Annual percentage rate (APR):** The cost of a loan over a full year expressed as a percentage.
9. **Credit rating (FICO):** A rating based on how promptly a person pays his/her debts. Ranges from 350 to 850.