

# Understanding Credit

## FILLING OUT A LOAN APPLICATION

Credit is money people can use now but must pay back later, usually with interest. It is a method of spending others' money. Complete the credit application below using your personal information. Then answer the two "Cost of Money Questions" at the bottom of the page.



CREDIT APPLICATION					
Personal Information					
Name	Last	First	Middle	Social Security Number  _____	
Address	Street	City	State		Zip
Previous Address	Street	City	State		Zip
Employment Information					
Employer			Phone Number		
Position		Length of Employment		Income per Year	
Debts					
Mortgage		Vehicle		Other	
Please list banks where you have the following:					
Checking Account		Savings Account		Credit Cards	
_____		_____		_____	
_____		_____		_____	
I believe all of the information given on this application to be true. I authorize you to check my employment and credit history.					
Signature _____					

### COST OF MONEY QUESTION #1

Andrew has a \$10,000 loan. He pays 12% interest but has not started paying principal. How much does his loan cost him each month?

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### COST OF MONEY QUESTION #2

Bobby will be paying 14% on his new \$5,000 loan. How much will it cost him in interest for the first month he has the loan?

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