

## Loan Comparison Role-Playing Activity

- Assigning roles
  - Choose 4 students to each represent each of the four financial institutions, plus the teacher as the pawn shop. Give them each their role handouts and place them in various parts of the room.
  - Group the rest of the students into the three different scenario groups (A, B, C)
  - Give students a few minutes to read through their roles/scenarios.
- Role playing activity

Groups A, B, and C visit the various agents/representatives to learn the following:

  1. Can I obtain my loan using this option? Does this option allow a loan the size that I need?
  2. Do I meet the requirements for obtaining my loan using this option? If not, what would I have to do to meet the requirements?
  3. How much will this loan cost me?
  4. Can I get this loan in time?
- Share out/Discussion
  - Fill out the table as a class. Have students rely on what they learned from their role playing activity, whether they were lenders or borrowers.
  - Ask students in groups A, B, and C to explain which loan option was best suited to them.

## AGENT for CAPITAL ONE QUICKSILVER CREDIT CARD



### LOAN SIZE

- You can borrow \$200 to whatever your credit limit is.  
This is also called: “getting a cash advance from a credit card”

### LOAN REQUIREMENTS

- You have to have this credit card.
- To apply for the credit card, you have to be 18. They use your **credit history** and **credit score** to determine if they will give you a card and to determine what your credit limit is. The card also costs \$39 a year to maintain.

### COST

- APR (Annual Percent Rate): 25%
- FEES: \$10 fee, or 3% of the amount of the cash advance, whichever is larger

### TIME

- Immediately. You can get the money from an ATM.

# REPRESENTATIVE at the BROOKLYN COOPERTIVE FEDERAL CREDIT UNION



## LOAN SIZE

- You can borrow \$400 to \$10,000, depending on your **credit history** and your **credit score**.

## LOAN REQUIREMENTS

- An account at the credit union. The account must have a balance of at least 20% of the loan amount.
- To apply for an account, the credit union requires ID and considers your **credit history** and **credit score**.

## COST

- APR (Annual Percent Rate): 12%
- FEES: \$20 application fee

## TIME

- Several weeks. First, you must apply for the loan, then it must be reviewed and approved.

## REPRESENTATIVE at TD BANK

## PERSONAL UNSECURED LOANS SPECIALIST



### LOAN SIZE

- You can borrow \$2,000 to \$50,000, depending on your **credit history** and **credit score**.

### LOAN REQUIREMENTS

- An **unsecured** loan means that you don't need money in a TD Bank account for collateral.
- If you do want an account, you can apply for one. To apply for an account, the bank requires ID and considers your **credit history** and **credit score**.

### COST

- APR (Annual Percent Rate):
  - It depends on how much you borrow. For example, a \$10,000 loan has an APR of 9.20%, while a loan of \$50,000 has an APR of 6.63%.
  - If you don't set up automatic payments from a savings account with TD Bank, your APR goes up by 0.25%.
- FEES: \$50 to start the loan.

### TIME

- Several weeks. You apply for the loan, and your application gets reviewed and approved.

# REPRESENTATIVE at TD BANK

## PERSONAL SECURED LOANS SPECIALIST



### LOAN SIZE

- You can borrow a minimum of \$5,000 (no maximum limit). The amount you will be able to borrow depends on your **credit history** and **credit score**.

### REQUIREMENTS

- A **secured** loan means that you must have money in a TD Bank savings account as collateral. The amount of collateral you need depends on the size of the loan.
- To apply for an account, the bank requires ID and considers your **credit history** and **credit score**.

### COST

- APR (Annual Percent Rate): The APR is printed in the Wall Street Journal, a daily newspaper. Most recently, the APR was 3.25%, but this amount changes every month.
- FEES: \$50 to start the loan.

### TIME

- Several weeks. You apply for the loan, and then it is reviewed and approved.

## GROUP A

### **What you need:**

- \$500 within 3 weeks

### **What you have:**

- Gold jewelry worth \$1000.
- No credit card or bank account of any kind.
- Poor credit history and credit score.



## GROUP B

### **What you need:**

- \$10,000 in 2 weeks

### **What you have:**

- Antiques worth \$50,000.
- Capital One Quicksilver credit card
- \$4,000 in your savings account with TD Bank
- Great credit history and credit score.



## GROUP C

### **What you need:**

- \$4,000 within a month

### **What you have:**

- Family heirlooms worth \$10,000
- Capital One Quicksilver credit card
- \$1,000 in your savings account with Brooklyn Federal Credit Union
- Ok credit history and credit score.