

Prerequisites:

- None

Lesson Goal

The goal of this lesson is to inform students about the basic structure of loans and borrowing. Students will learn about different types of loans, how interest rates work, and understanding responsibilities related to borrowing.

What should students learn from the lesson?

- Students will learn why loans and the concept of borrowing money exists.
- Students will learn the difference between fixed and variable interest rates.
- Students will learn about the types of loans.
- Students will learn about loan amortization and how to plan repayment.

What is the in-class activity?

- The PowerPoint will drive and organize the lesson providing information on types of loans.
- There are Check for Understanding slides (with answers) that review and reinforce the teaching.
- The lesson is divided into four major parts:
 - o What is borrowing?
 - o Types of loans
 - o Calculating Loan Payments
 - o Impact on Credit
- There are optional activities for the students:
 - o Online Games - ShadySam or CreditClash
 - o Jeopardy Review Game

What is the takeaway for students?

- Students will learn about how loans work, types of loans, as well as interest and repayment.
- Students will understand the impact of borrowing on future opportunities and how credit works.
- The online games provide some experience in the loan process and builds understanding of how lenders profit from making loans, and how borrowing impacts a credit score.

Materials Needed:

- PowerPoint/ Projector
- Student laptop or device