

Central Bank STL

JA Finance Park
Credit Awareness 2024



Central Bank



Predatory Lending



Keep in mind.....

- Typically, incredibly high interest rate
- Always do your research
- Too good to be true?

Types of Loans

With a CREDIT CARD, you can...

- Buy goods or services and pay for them over time
- Borrow money for household, family, and other personal expenses
- Get into big trouble if you're not careful with spending
- Either build a positive credit history or damage it depending on how you manage the card.



Types of Loans

With a **CONSUMER INSTALLMENT LOAN**, you...

- Can pay your personal expenses and your family's expenses
- Can pay the same amount each month in installments for a set period of time
- Can either build or damage credit, by whether you repay the loan on time as you agreed



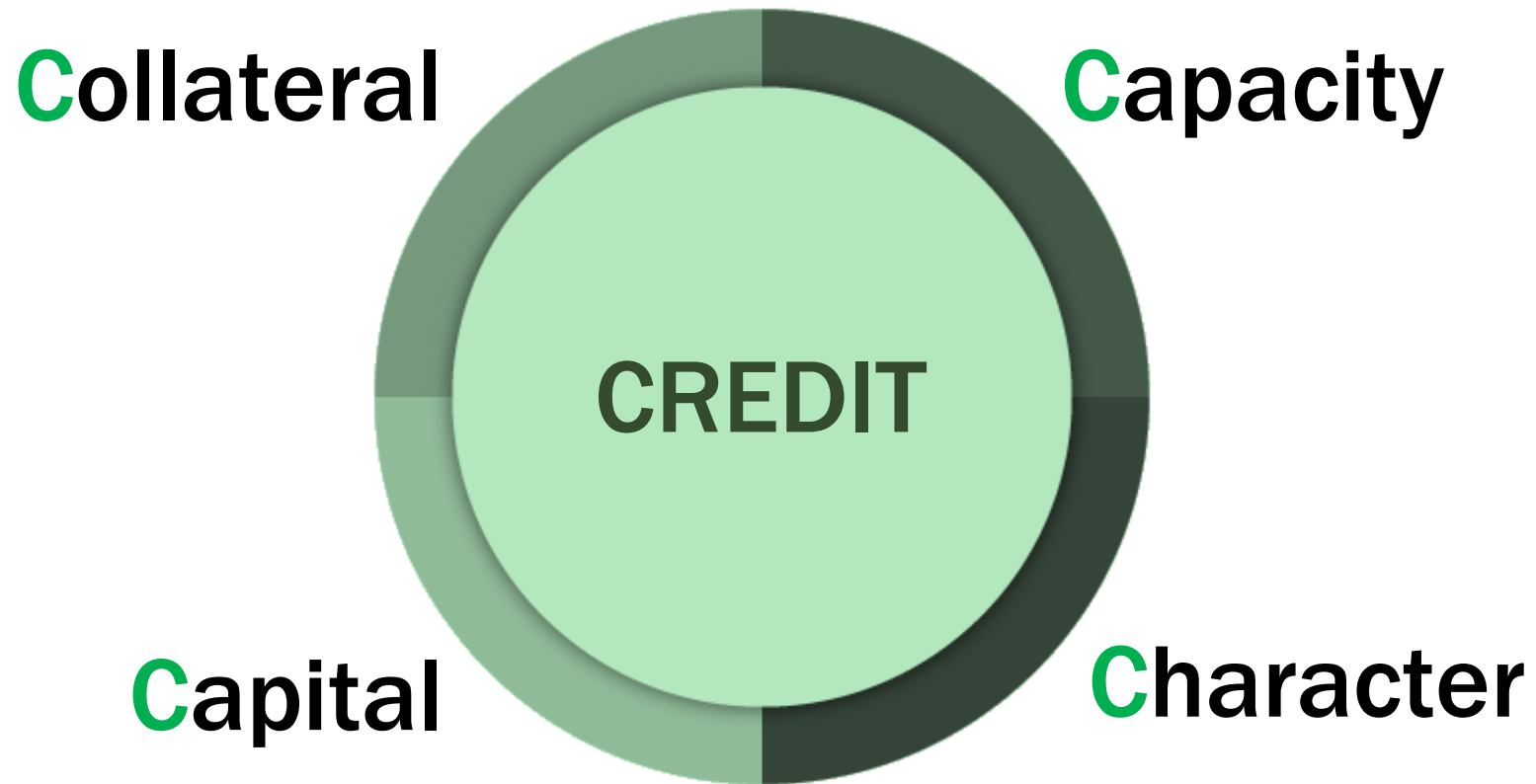
Types of Loans

With a **HOME LOAN** (mortgage), you can...

- Borrow money for the purpose of buying a house
- Build positive credit by paying on time
- Damage credit by skipping payments or paying late



The Four Cs of Credit





Central Bank

- **Collateral**- A person's property or possessions that can be used as security against the loan.
- **Capacity**- A person's ability to repay the loan, including their income, employment history, and other debts.
- **Character**- A person's credit record, bankruptcy history, job stability, and other factors that indicate whether they are likely to repay the loan
- **Capital**- A person's assets, cash reserves, and other funds that can be used to repay the loan.

Managing Debt – Good Questions to Ask

- Am I overextending myself?
- Have I researched and compared rates (using the APR)?
- Do I have a plan in place for paying off the borrowed money?

Home Improvement

When considering whether to buy or rent a home, don't forget about home improvement expenses.

As a homeowner, you will have maintenance expenses over time such as a new roof, flooring, plumbing, landscaping etc.

When renting, many of those expenses will be paid by the landlord.

You might want to finance your home improvement with a Home Equity Loan. A Home Equity Loan:

- Provides cash for a one-time need.
- Fixed monthly payments.
- Interest paid may be tax deductible.
- The interest rate is lower than credit cards.



Central Bank

Housing Business ID: 572

Home Improvement

Business ID: 712