

 **BUILDING BLOCKS STUDENT WORKSHEET**

Building a good borrowing reputation

Not everyone who applies for a loan qualifies for one. People with a good reputation as a borrower are more likely to get a loan. Thinking about what characteristics would make you a good borrower can help put you on the path to financial well-being.

Instructions

- 1 Read the profiles and answer the questions about each person.
- 2 Answer the reflection questions.

Profiles

Joe

Joe is 23. He graduated from college a year ago and has an entry-level job at a law firm. Joe has one credit card that he uses only for emergencies – no late-night pizza purchases! He makes sure he pays his credit card bill off every month. He repays his student loans on time. Joe wants to buy a used car for \$12,000. He has saved \$3,000 to put down on the car and hopes to take out a loan for \$9,000.

1. Do you think Joe has a good or bad reputation as a borrower?
 Good Bad
2. If you were lender at a bank or credit union, would you give him the car loan? Why or why not?



Prema

Prema is 16. Recently she borrowed a laptop computer from her friend Tara. She accidentally dropped the laptop and broke the screen. Prema immediately called Tara, explained what had happened, and gave a heartfelt apology. Prema had \$50 in her savings account, which she gave to Tara to pay for half of the cost to replace the screen. She also gave Tara \$10 a week over the next five weeks to pay for the rest of the cost to repair the screen.

1. Do you think Prema has a good or bad reputation as a borrower?
 Good Bad
2. Would you loan something to Prema in the future if she asked? Why or why not?

Nichole

Nichole is 12. Two weeks ago, she forgot her lunch money and borrowed money from her friend Sam. Last week she forgot her lunch money again and borrowed money from her friend Toni. Today she asked you if she could borrow money for her lunch. She still hasn't paid Sam or Toni back for the money she borrowed from them.

1. Based on her reputation as a borrower, would you lend Nichole lunch money? Why or why not?
2. What are some things Nichole could do to improve her borrowing reputation?

