



# ***World Studies for Georgia Students-Grade 7***

## ***Chapter 17: Personal Finance – Section 3: Credit***

### **Guided Notes**

**Instructions:** Read the section and complete each item with words from the passages in this section.

1. \_\_\_\_\_ is an arrangement in which a buyer can take possession of something now and pay for it in the future, usually with interest.
2. Credit enables \_\_\_\_\_ to start up and expand.
3. Common forms of consumer credit include personal loans, \_\_\_\_\_ (home loans), and credit cards.
4. Taking out a loan or buying something on credit can cause a financial \_\_\_\_\_ if a person borrows or spends too much.
5. The lender keeps a claim to the \_\_\_\_\_, or ownership, of a car or house until the entire debt is paid. If the buyer fails to make payments, the lender can \_\_\_\_\_ (take possession of) the item.
6. It is best to pay the \_\_\_\_\_ amount owed when the credit card bill arrives. Making just the \_\_\_\_\_ payment each month can lead to additional debt and can cause financial ruin.
7. Making payments on time and in full is important to a person's credit \_\_\_\_\_.
8. Based on credit history, each individual earns a credit \_\_\_\_\_ (a number assigned to a person that indicates his or her capacity to repay a loan).
9. Financial institutions and businesses check credit \_\_\_\_\_ to decide whether a person qualifies for a loan or a credit card and, if so, how much \_\_\_\_\_ that person deserves.