

NAME: _____

DATE: _____

CASE STUDY

Credit Crossroads Recommendation

What + Why: Real financial decisions require weighing trade-offs—this is your chance to make and defend a recommendation that balances risk, credit impact, and protection.

Throughout this unit, you examined structure, credit impact, survivability, and consumer protection separately. Now, those lenses must work together. As a panel, weigh how these factors interact and determine which option demonstrates the strongest overall balance, not just short-term appeal.

Supporting Materials:

Case Study Resolution (Case Study)

Debt Survivability Ranking Tool (Topic 3)

Instructions:

1. With your group, you will act as the Credit Crossroads Advisory Panel and deliver a final professional recommendation to Kai.
2. Your job is to evaluate the case as a whole and determine the safest and most responsible way for Kai to purchase the required laptop without causing long-term financial harm.
3. Read the **Case Study Resolution** for the specific requirements for the four required sections.
4. Assign each member of your group a role that is based on the 4 sections of the memo:
 - Credit Structure Analyst (Topic 1 content)
 - Financial Reputation Analyst (Topic 2 content)
 - Debt Survivability Analyst (Topic 3 content)
 - Consumer Protection Analyst (Topic 4 content)

- Each member leads the analysis and drafting for their assigned section and ensures it is supported with evidence from the case.

Be ready to share your final summary and answer to each section's key question with the whole group.

Submission:

- Turn in your completed work to your teacher.

Final Recommendation Memo

To: Kai

From: Credit Crossroads Advisory Panel

Re: \$1,500 Laptop Financing Decision

Section 1: Kai's Options (Credit Structure Analyst)

- Explain how your group's recommended option functions as a credit product.
- Identify the repayment structure you recommend Kai follow.
- Highlight the key risk specific to this option (deferred interest, fee stacking, rollover, automatic withdrawal, etc.).

Prepare for the presentation by answering this question:

- The key structural risk of this option is _____, and the most important fine print detail Kai must understand is _____.

(continued)

Section 2: Financial Reputation Impact (Financial Reputation Analyst)

- Explain how this option affects Kai's utilization percentage, payment history, and new credit.
- Identify the biggest reputation risk if something goes wrong.
- Explain one specific action Kai can take to protect his credit score while using this option.

Prepare for the presentation by answering this question:

- This option will affect Kai's credit by _____, and the biggest long-term reputation risk is _____.

Section 3: Debt Survivability Analysis (Debt Survivability Analyst)

- Reference the Debt Survivability Ranking Tool (completed previously) to compare the monthly payment against Kai's \$250 budget.
- Calculate Kai's margin for error.
- Identify the escalation trigger that would push this option from manageable to unmanageable.
- Explain why this option is less likely than others to create a debt trap.

Prepare for the presentation by answering this question:

- Kai's margin for error with this option is _____, and the point at which debt becomes unmanageable is _____.

(continued)

Section 4: Consumer Protection & Transparency (Consumer Protection Analyst)

- Identify the fine print risks or red flags specific to this option.
- Note any data privacy or automatic withdrawal concerns.
- Explain how Kai can protect against the three most likely failure points: missing a deadline, overdraft from automatic withdrawal, and credit impact from a missed payment.

Prepare for the presentation by answering this question:

- The most significant consumer protection concern with this option is _____, and the one action Kai must take to reduce that risk is _____.

Based on all four lenses (credit structure, reputation impact, survivability, and consumer protection), we recommend that Kai _____ because this option best balances structural risk, long-term credit impact, debt survivability, and consumer protection concerns.

Before finalizing this decision, Kai should verify _____, and know that if something goes wrong, the protection available is _____.

Signed.

The Credit Crossroads Advisory Panel

Credit Crossroads Recommendation Rubric

Criteria	4 – Strong	3 – Proficient	2 – Developing	1 – Beginning
Recommendation & Clarity	Clearly states one final, evidence-based recommendation that explicitly references structural risk, consumer protection concerns, and a verification step; maintains a consistent, professional advisory tone throughout the memo.	States a clear recommendation with mostly sound reasoning; minor inconsistencies in tone or evidence may appear.	Recommendation is vague, partially implied, or shifts during the response; reasoning is limited.	No clear recommendation is stated, or the memo lacks a unifying conclusion.
Credit Structure Analysis (Credit Structure Analyst)	Accurately explains how the recommended option functions as a credit product, clearly identifies the repayment structure, and names the key structural risk with specific evidence (e.g., deferred interest clause, rollover trigger, automatic withdrawal).	Explains the credit product and repayment structure with generally accurate reasoning; structural risk is identified but may lack specificity or evidence.	Describes the credit product at a surface level; repayment structure or structural risk is incomplete or partially inaccurate.	Credit mechanics are missing, inaccurate, or not connected to the recommended option.
Financial Reputation Analysis (Financial Reputation Analyst)	Accurately analyzes how the option affects utilization, payment history, and new credit; clearly identifies the biggest reputation risk; names one specific, actionable step Kai can take to protect his credit score.	Addresses utilization, payment history, and new credit with mostly accurate analysis; reputation risk and protective action are present but may lack depth or specificity.	Mentions some credit impact factors but analysis is incomplete; reputation risk or protective action is vague or missing.	Credit impact analysis is absent, inaccurate, or not connected to the recommended option.

(continued)

Criteria	4 – Strong	3 – Proficient	2 – Developing	1 – Beginning
Debt Survivability Analysis (Debt Survivability Analyst)	Accurately compares the monthly payment to Kai's \$250 budget, correctly calculates margin for error, clearly identifies the escalation trigger, and explains with evidence why this option avoids a debt trap.	Compares payment to budget and identifies survivability concerns with mostly accurate reasoning; margin for error or escalation trigger may lack calculation precision.	References budget and survivability but margin for error is not calculated; escalation trigger or debt trap reasoning is vague or incomplete.	Survivability analysis is missing, inaccurate, or not grounded in Kai's budget or case evidence.
Consumer Protection Analysis (Consumer Protection Analyst)	Accurately identifies fine print risks and data privacy or automatic withdrawal concerns specific to the recommended option; provides three specific, preventative actions addressing deadline, overdraft, and credit impact failure points.	Identifies key protection concerns and provides protective actions; some may lack specificity or full connection to the three required failure points.	Mentions protection concerns but fine print risks, data concerns, or protective actions are incomplete or vague.	Consumer protection analysis is absent or does not meaningfully address the recommended option's specific risks.