



JA FINANCIAL LITERACY®

Student Guide



UNIT 3: CREDIT, DEBT & CONSUMER PROTECTION
Topic 2: Credit Scores & Credit Reports

NAME: _____

DATE: _____

PRE-QUIZ

Credit Scores & Credit Reports

What + Why: A quick, ungraded check on what you already know—your answers help shape the learning ahead. It's okay not to know—just give it your best shot.

Instructions:

1. Answer each question as best you can.
 2. Circle the best answer for each question.
 3. Submit it when you're done.
-
1. How does a higher credit score typically affect the cost of borrowing?
 - ☐ a. A higher credit score improves chances of loan approval.
 - ☐ b. A higher credit score lowers interest rates and may improve loan terms.
 - ☐ c. A higher credit score increases required monthly payments.
 - ☐ d. A higher credit score eliminates the need for a down payment.
 2. Which action most helps build a strong credit history?
 - ☐ a. paying bills on time consistently
 - ☐ b. using most of a credit limit regularly, even while making payments
 - ☐ c. applying for many credit cards
 - ☐ d. borrowing large amounts frequently

3. Why are consumer protection laws important?
- ☐ a. They remove financial risk.
 - ☐ b. They help correct errors and protect consumers from fraud.
 - ☐ c. They eliminate the need for credit reports.
 - ☐ d. They allow banks to control credit scores.
4. If you believe you are a victim of fraud, what should you do?
- ☐ a. Wait to see if it fixes itself.
 - ☐ b. Report the issue immediately to financial institutions and authorities.
 - ☐ c. Ignore small suspicious charges.
 - ☐ d. Monitor the account for a few weeks before deciding whether to report it.

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ACTIVITY

Risk Signal Spotting

What + Why: Decide which everyday credit mistakes cause the most damage before finding out how the system actually scores them.

Not all credit mistakes are equal. Some signals come from borrowing behavior, while others result from inattention or missed warning signs.

Some behaviors directly affect a credit score, while others may signal fraud, identity theft, or broader financial risk. Not all signals carry the same weight, and not all of them reflect deliberate choices.

As you evaluate each action, think about what it communicates to a lender.

**Instructions:**

1. Work with your group to rank the behaviors from most damaging to least damaging to someone's financial reputation.
2. Your group must agree on one final order.

Be prepared to explain your reasoning during discussion.

Number each behavior from 1 (most damaging) to 8 (least damaging) based on its potential impact on someone's financial reputation.

_____ Max out one credit card

_____ Ignore a credit inquiry you don't recognize

_____ Four credit card applications in one week

_____ Pay off a balance in full

_____ Miss one payment

_____ Make only minimum payments

_____ Close your oldest credit card

_____ Ignore an unfamiliar charge on your credit card statement

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CASE STUDY

Kai's Credit Report

What + Why: Find out what your financial record actually shows to lenders before it affects something you want.

Every time someone applies for credit, lenders review a credit report that shows patterns of financial behavior over time. That report does not include explanations or intentions; it reflects what has actually been recorded. As you examine Kai's credit report, consider what stands out, what might raise concern, and how small financial decisions can shape how someone is viewed.

Supporting Material:

Topic 2: Introduction (Case Study)

Kai's Credit Report (Case Study)

**Instructions:**

1. Read the **Topic 2: Introduction** and briefly review **Kai's Credit Report** in the case study materials.
2. As you read, consider:
 - What looks strong in Kai's credit report?
 - What looks risky in Kai's credit report?

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ACTIVITY

Same Report, Different Score

What + Why: Two people. Nearly identical reports. Different scores. Your job is to figure out why, and uncover what really drives a credit score.

Credit reports track several types of financial information, including **utilization** (how much of your available credit you're currently using) and **credit inquiries** (requests made when you apply for new credit). Two people can have similar borrowing histories and still end up with different scores. As you compare these two reports, pay attention not just to what's there, but to how those details differ between the two profiles.

Instructions:

1. With your partner, review both credit reports side by side.
2. Highlight the differences you notice.
3. Discuss:
 - Which differences seem most connected to the score gap?
 - Which one likely had the biggest impact?
4. Prepare a short explanation that includes:
 - The difference you chose.
 - Evidence from the report.
 - Why you believe it influenced the score more than the other factors.

Person A

Credit Score
665
(Good)

Credit Report Summary

Accounts Overview

- Total Accounts: 5
- Open Accounts: 4
- Closed Accounts: 1
- Collection Accounts: 0
- Public Records: 0

Account Type	Open Date	Credit Limit / Loan Amount	Balance	Payment Status
Credit Card 1	Jan 2020	\$5,000	\$4,200	On Time
Credit Card 2	Jun 2021	\$3,000	\$500	On Time
Auto Loan	Mar 2022	\$18,000	\$12,600	On Time
Personal Loan	Aug 2022	\$6,600	\$1,600	On Time

Total Credit Limit (Credit Cards): **\$8,000**

Total Balances (All Accounts): **\$20,900**

Revolving Utilization (Credit Cards Only)



- Credit Card Balances: **\$4,700**
- Credit Card Limits: **\$8,000**
- Utilization: **59%**

Credit History



- Oldest Account: **4 yrs 1 mo**
- Average Age of Accounts: **2 yrs 1 mo**
- Newest Account: **8 mos**

Recent Credit Inquiries



3 (Last 12 Months)

Payment History



100% On-Time Payments
(Last 24 Months)

Person B

Credit Score
760
(Very Good)

Credit Report Summary

Accounts Overview

- Total Accounts: 5
- Open Accounts: 4
- Closed Accounts: 1
- Collection Accounts: 0
- Public Records: 0

Account Type	Open Date	Credit Limit / Loan Amount	Balance	Payment Status
Credit Card 1	Jan 2020	\$5,000	\$1,100	On Time
Credit Card 2	Jun 2021	\$3,000	\$500	On Time
Auto Loan	Mar 2022	\$18,000	\$7,800	On Time
Personal Loan	Aug 2022	\$6,600	\$1,600	On Time

Total Credit Limit (Credit Cards): **\$8,000**

Total Balances (All Accounts): **\$11,000**

Revolving Utilization (Credit Cards Only)



- Credit Card Balances: **\$1,600**
- Credit Card Limits: **\$8,000**
- Utilization: **20%**

Credit History



- Oldest Account: **7 yrs 4 mo**
- Average Age of Accounts: **3 yrs 6 mo**
- Newest Account: **2 yrs 3 mos**

Recent Credit Inquiries



1 (Last 12 Months)

Payment History



100% On-Time Payments
(Last 24 Months)

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ACTIVITY

Opportunity Impact

What + Why: Examine how the financial system interprets the same credit report in four completely different ways.

Your credit report doesn't just sit in a file. It gets interpreted by real people making real decisions about housing, loans, insurance, and employment. In this activity, you'll step into the role of the decision-maker and analyze how the same credit profile can lead to different outcomes depending on the opportunity. By the end, you'll see how credit influences not just approval, but cost, conditions, and access to future options.

Supporting Materials

Kai's Credit Report (Case Study)

Instructions:

- With your group, review your chosen scenario.
- Use **Kai's Credit Report** to answer the four analysis questions.
- Prepare a brief explanation (60–90 seconds) to share with the class that includes your group's final decision (Approve, Deny, or Conditional) with justification.

Scenario 1: Apartment Rental Application	Scenario 2: Car Loan Application
You are a property owner reviewing Kai's rental application. Using Kai's credit report, decide whether to approve, deny, or require conditions (such as a higher deposit or co-signer).	You are a bank loan officer reviewing Kai's application for a car loan. Using Kai's credit report, determine whether to approve, deny, or approve with a higher interest rate.
Scenario 3: Car Insurance Quote	Scenario 4: Job Background Check
You are an insurance agent calculating Kai's monthly premium. Using Kai's credit report, determine whether Kai would likely receive a lower rate, average rate, or higher rate.	You are part of a hiring team reviewing Kai's background for a job involving financial responsibility. Using Kai's credit report, decide whether the report raises concerns, has no impact, or requires follow-up questions.

Our Assigned Scenario: _____

1. What parts of Kai's credit report matter most in this situation?

2. What concern would this decision-maker have, and what might they want clarified?

3. Does Kai's credit report affect approval, cost, or both?

4. Likely outcome:
 - ☐ Approve
 - ☐ Deny
 - ☐ Conditional Approval (higher rate, higher deposit, co-signer, etc.)

Explain:

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INSTRUCTION

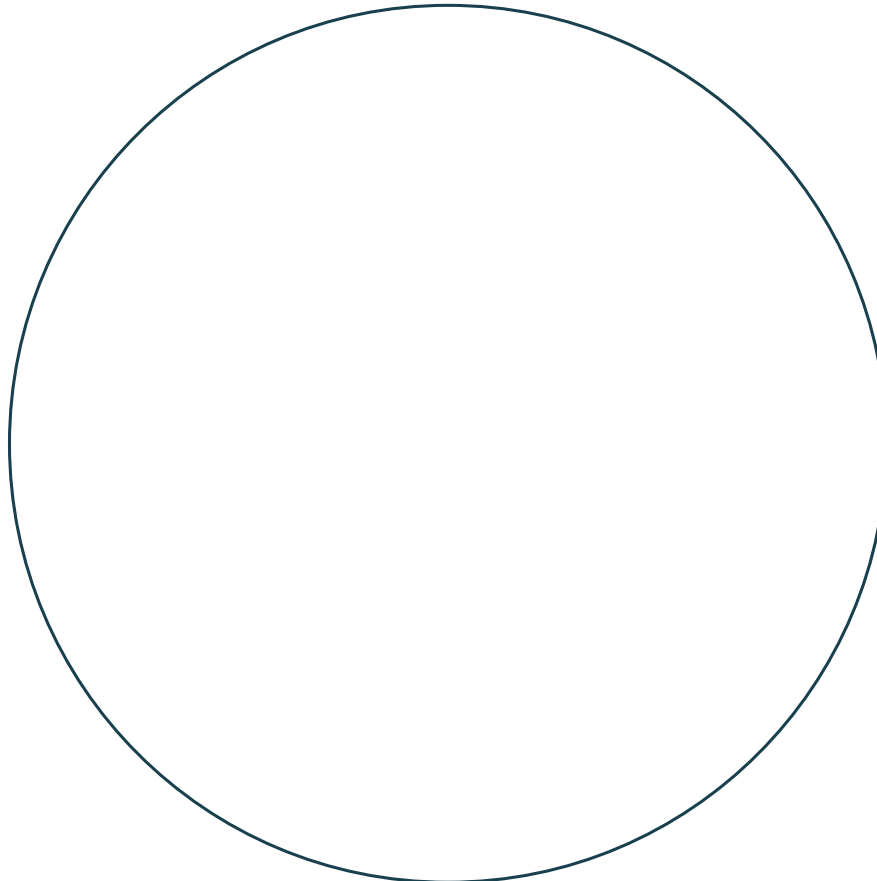
Moving the Needle

What + Why: What makes up a credit score, and how can you control it?

A credit score is a three-digit number that reflects patterns of financial behavior over time. In this activity, you will examine where credit scores fall on a typical range and break down what makes up that number. By understanding which factors carry the most weight, you can identify which habits give you the most control over your financial future.

**Instructions:**

1. As each credit factor is introduced, draw and label the correct section of the pie chart and record the percentage for that factor.



2. If someone wanted to improve their score, where should they focus first?

3. How does understanding what makes up a credit score change the way you think about everyday credit decisions?

Key Terms

- **credit score:** a number representing creditworthiness, which is calculated using information in a person's credit report
- **revolving credit:** a credit account that lets someone repeatedly borrow money up to a set limit and pay it back over time
- **installment credit:** a loan requiring fixed payments over a set period of time to pay off
- **hard inquiry:** a credit check that occurs when someone applies for new credit, which can cause a small, temporary decrease in their credit score
- **soft inquiry:** a credit check that occurs when someone checks their own credit, receives a pre-approval offer, or undergoes an employer background check, which does not affect their credit score
- **credit utilization:** the percentage of available credit that a person is currently using
- **collection agency:** a company hired by creditors to recover past-due funds, such as late bills or debts from accounts that are in default

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ACTIVITY

Score Impact

What + Why: Put your new credit knowledge to the test and rank what really impacts your score most.

Earlier, you ranked these credit behaviors based on what felt most serious. Now you understand that credit scores are not based on opinions; they are calculated using specific weighted factors. Some actions carry far more impact than others. In this round, you'll apply what you've explored about payment history, credit utilization, new credit, and account age to rank these behaviors the way a scoring model actually would.



Supporting Materials:

Risk Signal Spotting (completed previously)

Instructions:

1. Work with your group to re-rank the behaviors from most damaging to least damaging to someone's credit score and financial reputation.
2. Use what you've explored about payment history, credit utilization, new credit, and length of credit history to guide your decisions.
3. Your group must agree on one final order.

Be ready to explain your reasoning.

Number each behavior from 1 (most damaging) to 8 (least damaging) based on its potential impact on someone's financial reputation.

_____ Max out one credit card

_____ Ignore a credit inquiry you don't recognize

_____ Four credit card applications
in one week

_____ Pay off a balance in full

_____ Miss one payment

_____ Make only minimum payments

_____ Close your oldest credit card

_____ Ignore an unfamiliar charge on your credit
card statement

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CASE STUDY

Apply to Kai

What + Why: Discover how one financial decision can ripple through your credit score and shape future opportunities.

Credit scores don't change randomly. They respond to real decisions people make every day. Opening a new account, missing a payment, or paying down a balance can all shift a credit score in different ways. In this activity, you'll apply what you've learned about the five credit factors to predict how Kai's choices would affect a credit report and score. Understanding these cause-and-effect patterns helps you see how everyday financial decisions can shape future borrowing costs and opportunities.

**Instructions:**

1. With your group, read your chosen credit scenario.
2. Determine how the decision would impact Kai's credit score.
3. Use evidence to complete the analysis questions. Prepare a brief explanation of your conclusions.

Scenario A:	Scenario B:	Scenario C:	Scenario D:	Scenario E:
Kai Opens a Store Credit Card and Uses \$300 of a \$1,000 Limit	Kai Misses One BNPL Payment by 30 Days	Kai Pays All Credit Card Balances Down to 20% Utilization	Kai Applies for Three Credit Cards in One Week but Is Approved for Only One	Kai Makes On-Time Payments for 12 Consecutive Months

Assigned Scenario: _____

For each credit score factor, indicate whether Kai's decision makes that factor look better (✓), worse (✗), or unchanged (↔) to a lender.

Amounts Owed	Payment History	Credit Mix	New Credit	Length of History
✓ ✗ ↔ ☐ ☐ ☐	✓ ✗ ↔ ☐ ☐ ☐	✓ ✗ ↔ ☐ ☐ ☐	✓ ✗ ↔ ☐ ☐ ☐	✓ ✗ ↔ ☐ ☐ ☐

Analysis Questions:

- Which credit factor would have the greatest impact on Kai's credit score? Why?
- Would this likely have a short-term impact, long-term impact, or both on Kai's credit score? Explain.
- Overall, would Kai's overall credit score likely increase, decrease, or shift temporarily? Explain your reasoning.

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ACTIVITY

Spotting Fraud

What + Why: Fraud doesn't announce itself or make a grand entrance . . . it hides in small signals (urgent messages, unexpected account activity, unfamiliar links, or requests for personal information).

**Instructions:**

1. For each situation, fill out the chart by briefly answering the following questions. Use the Legal Protections & Helpful Agencies information to help guide your answers.
 - What are the fraud warning signals?
 - What is the credit risk? (If ignored, how could this affect this individual's credit or finances?)
 - What is the prevention strategy? (How might this have been prevented?)
 - What is the response strategy? (What is the safest next step this person should take?)

Scenario	Fraud Warning Signal(s) (select all that apply)	Credit or Financial Risk	Prevention Strategy	Response Strategy & Legal Protection
Scenario 1: Luna is approved for a student credit card. When reviewing the first monthly statement, Luna sees a purchase from a retailer that is not recognized.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			
Scenario 2: Anthony receives a text message from “Buy Now, Pay Later Services” stating that payments have fallen behind and a link must be clicked to pay immediately and avoid legal action. Anthony has not missed any payments.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			
Scenario 3: Riley applies for a payday loan while using public Wi-Fi at a local coffee shop. A week later, a review of credit activity shows two new credit inquiries that Riley does not recognize.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			
Scenario 4: Diego finds a discounted laptop through an online marketplace. The seller requests payment using an unknown mobile payment platform and refuses secure payment or an in-person exchange.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			
Scenario 5: Mariam uses a credit card with a \$2,000 balance to make a \$150 purchase in store. The next day, the account shows the card is maxed out with charges that were not authorized.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			

Legal Protections & Helpful Agencies

- **Consumer Financial Protection Bureau (CFPB):** a federal agency that protects consumers. Accepts complaints about credit cards, loans, credit reporting errors, and debt collection.
- **Fair Credit Reporting Act (FCRA):** gives consumers the right to dispute inaccurate or unauthorized credit report information. File disputes directly with the credit bureaus (Equifax, Experian, and TransUnion) at their individual websites, or file a complaint with the CFPB.
- **Fair Credit Billing Act (FCBA):** allows disputes of unauthorized credit card charges within 60 days. Contact the credit card issuer directly in writing to initiate a dispute. If unresolved, file a complaint with the CFPB.
- **Federal Trade Commission (FTC):** a federal agency that investigates fraud, deceptive practices, and identity theft.

Key Term

- **credit bureau:** a company that gathers and shares credit information with lenders

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CASE STUDY

Signal Analysis Chart

What + Why: Break down how Kai's borrowing decisions send different credit signals and impact future opportunities.

Not all borrowing affects credit in the same way. Some options immediately change what lenders see, while others only create risk under certain conditions. As you analyze each of Kai's financing choices, focus on how the signals shift, not just whether the purchase gets paid for.

Supporting Materials:

Laptop Financing Options (Case Study)

Kai's Credit Report (Case Study)

Instructions:

1. Work with your group to review Kai's four financing options.
2. Complete the **Signal Analysis Chart** by identifying how using each option changes Kai's credit signals and perceived risk.
3. Use details from the case study (credit limits, balances, reporting language) to support your responses.
4. Answer the three reflection questions using evidence from your completed chart.

Prepare to share your answer to the third reflection question in an upcoming class share-out. Note that this question answers **Supporting Question 2:** How could each laptop financing option affect how the financial system views Kai in the future?

Signal Analysis Chart

Credit Signal	Store Card	BNPL	Student Card	Payday Loan
What new item(s) would be added to Kai's credit report?				
Effect on debt balances shown on Kai's credit report.	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change
Effect on Credit Utilization	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change
Overall Change in Risk Signals (if used responsibly)	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high
If Unpaid, Severity of Long-Term Impact	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high

Reflection Questions

1. Which option creates the biggest visible change to Kai's credit profile? Explain using evidence from the chart or case study.
2. Which option creates the smallest immediate visible shift in Kai's credit profile? Explain using evidence from the chart or case study.
3. Which financing option is most likely to improve or protect Kai's credit score one year from now, and which is most likely to damage it? Use evidence from your chart.

Signal Analysis Chart Rubric

Criteria	4 – Strong	3 – Proficient	2 – Developing	1 – Beginning
Understanding of Kai's Credit Profile	Clearly and accurately summarizes Kai's current profile and identifies the most significant existing risk signal.	Accurately summarizes profile with minor omissions.	Summary is incomplete or partially inaccurate.	Limited or inaccurate understanding of Kai's starting credit profile.
Analysis of Credit Signals	Accurately explains how each option changes utilization, balances, new activity, and visible risk signals.	Explains most signal changes with minor errors.	Identifies some signal changes but misses key impacts.	Shows limited or incorrect understanding of how options affect credit signals.
Comparison & Evaluation of Options	Clearly identifies the option that best protects Kai's financial reputation and the option that creates the most long-term risk, using specific chart evidence to support both conclusions.	Identifies strongest and riskiest options with reasonable explanation; one conclusion may lack depth or specificity.	Attempts to compare options but reasoning about long-term financial reputation impact is vague or incomplete.	Does not meaningfully compare options or connect conclusions to how the financial system would view Kai.
Use of Evidence	Consistently references specific case details (balances, limits, utilization percentages).	References relevant details in most explanations.	Uses limited or vague evidence.	Provides little or no supporting evidence.
Presentation & Communication	Presents clearly within time, organizes ideas logically, and responds confidently to follow-up questions.	Presentation is clear and mostly organized.	Presentation lacks clarity or organization.	Presentation is unclear, incomplete, or off-task.

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ACTIVITY

Signal Analysis Presentations

What + Why: Present the credit signals behind each of Kai's options and how they influence trust and risk.



Kai's decision is not just about borrowing \$1,500. It's about how that borrowing appears on a credit report. Every option changes visible signals differently. As groups present, focus on how the financial system would interpret those changes.

Supporting Question 2

How could each laptop financing option affect how the financial system views Kai in the future?

Instructions:

1. Access the **Signal Analysis Chart** your group completed previously.
2. Groups have 2 minutes to present your conclusions.
3. Begin by summarizing Kai's current credit profile.
4. Provide your response to the third reflection question:
 - Which financing option is most likely to improve or protect Kai's credit score one year from now, and which is most likely to damage it?

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ACTIVITY

Dispute Process Flowchart

What + Why: Spot the fraud, stop the damage, and protect your credit before it costs you.

Credit reports affect approvals, interest rates, and access to opportunities. When inaccurate or unauthorized information appears, there is a formal process for correcting it. In this activity, you will map the steps required to respond effectively and protect financial stability.

As a responsible credit user, Kai reviews his credit card statements monthly and checks his credit report every four months. But even careful monitoring can't always prevent fraud.

Supporting Materials

Spotting Fraud (previously completed)

Instructions:

1. Review the two scenarios and choose one to focus on.
2. Arrange the steps Kai should take in the correct order to investigate and protect his credit using the flowchart.

Be prepared to explain why the order matters.

Scenario 1:	Scenario 2:
Kai notices an unrecognized hard inquiry on his credit report.	Kai notices an unauthorized charge on his student credit card.

Scenario: _____



Sequence Options for Scenario 1	Sequence Options for Scenario 2
- Dispute the inquiry with the credit bureaus under the FCRA - Report to local law enforcement if required - Research the unfamiliar lender and contact them to verify the application - File an identity theft report with the FTC - Review your full credit report for additional unfamiliar activity - Place a fraud alert or credit freeze with Equifax, Experian, and TransUnion	- Change passwords and personal identification numbers (PINs) associated with the account - Contact the credit card issuer immediately to report the charge and request a new card - Monitor account activity for additional unauthorized charges - Freeze or lock the affected card - File a complaint with the CFPB if the issuer does not resolve the dispute - Dispute the charge with the issuer under the FCBA within 60 days

Key Terms

- **fraud alert:** a notice placed on a credit report that warns lenders to take extra steps to verify a person's identity before opening new accounts, which can be requested for free from any of the three major credit bureaus
- **credit freeze:** a restriction placed on a credit report that prevents lenders from accessing it entirely, which stops new accounts from being opened in someone's name until the freeze is lifted

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ACTIVITY

Financially Me: Credit Score Impact & Protection Plan

What + Why: Show how credit scores influence real-world decisions, and how to protect your financial reputation.

Credit scores influence more than loan approvals. They shape costs, conditions, and access to opportunities over time. As you complete this activity, consider how small score changes shift lender perception, what signals reliability, and what actions protect or repair financial reputation. Anchor your responses in patterns, not opinions.

Your final Credit Score Impact & Protection Plan will become the Financially Me component of your FinanceFolio for this topic.

Instructions:

1. Complete all four parts of the **Credit Score Impact & Protection Plan**.
2. Use what you've learned about credit score factors and risk perception to guide your responses.
3. Be specific and avoid repeating the same idea across sections.
4. Base your answers on documented patterns and lender perspective.



Part 1 — Credit Score Impact

For each score tier, indicate:

1. **My Risk to Lenders:** How will a lender interpret the likelihood that I will miss payments or default based on the patterns of behavior documented in my credit history?
2. **The Likelihood I'll be Approved for Credit:** Keep in mind that approval and cost are separate outcomes. Someone can be approved and still face significantly higher interest rates, larger deposits, or stricter terms than a borrower with a stronger score.
3. **What Changes at This Level?** Describe how this score range might affect real-world opportunities. Consider these suggestions:
 - interest rates offered
 - security deposits required for housing or utilities
 - employment background checks
 - insurance premiums
 - access to credit products

Be specific! Avoid general statements like "It's harder to borrow." Name what actually changes and why.

If I Have a Credit Rating Of:	My Risk to Lenders	The Likelihood I'll be Approved for Credit	What Changes at This Level?
Poor: 300-579	☐ Very High ☐ Low ☐ High ☐ Very Low ☐ Moderate	☐ Denied ☐ Approved ☐ Approved with Conditions	
Fair: 580-669	☐ Very High ☐ Low ☐ High ☐ Very Low ☐ Moderate	☐ Denied ☐ Approved ☐ Approved with Conditions	
Good: 670-739	☐ Very High ☐ Low ☐ High ☐ Very Low ☐ Moderate	☐ Denied ☐ Approved ☐ Approved with Conditions	
Very Good: 740-799	☐ Very High ☐ Low ☐ High ☐ Very Low ☐ Moderate	☐ Denied ☐ Approved ☐ Approved with Conditions	

(continued)

If I Have a Credit Rating Of:	My Risk to Lenders	The Likelihood I'll be Approved for Credit	What Changes at This Level?
Excellent: 800-850	☐ Very High ☐ Low ☐ High ☐ Very Low ☐ Moderate	☐ Denied ☐ Approved ☐ Approved with Conditions	

Part 2 — What if ...?

Credit scores can change based on behavior. Consider how a significant increase or decrease might affect borrowing and financial opportunities. Anchor your responses to a specific event: renting an apartment, financing a car, applying for a credit card, taking out a student loan, being hired for a job with financial responsibility, etc.

If my 700-point credit score dropped 75 points . . . 1. What could become more expensive? 2. What could become unavailable? 3. What would lenders assume about me?	If my 700-point credit score increased 75 points . . . 1. What would become available or cheaper? 2. What would become easier to get approved for? 3. What would lenders assume about me?
--	---

Part 3 — Disputing a Credit Report Error

Scenario: You check your credit report and notice a credit card account you did not open.

List the steps you would take to dispute the error and protect your credit.
(Reference your completed **Dispute Process Flowchart** as needed.)

Step One:

Step Two:

Step Three:

Step Four:

Step Five:

Step Six:

Which law gives you the right to dispute this, and which agency would you report to?

Part 4 — Protecting Your Credit Long-Term

Your credit score changes based on patterns of behavior over time. List 3–5 habits you will practice to protect and strengthen your credit history.

1.

2.

3.

4.

5.

Submission:

- Turn in your **Financially Me: Credit Score Impact & Protection Plan** as directed by your teacher.

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REFLECT

Beyond the Balance

What + Why: A paid-off balance doesn't always mean a clean financial record.

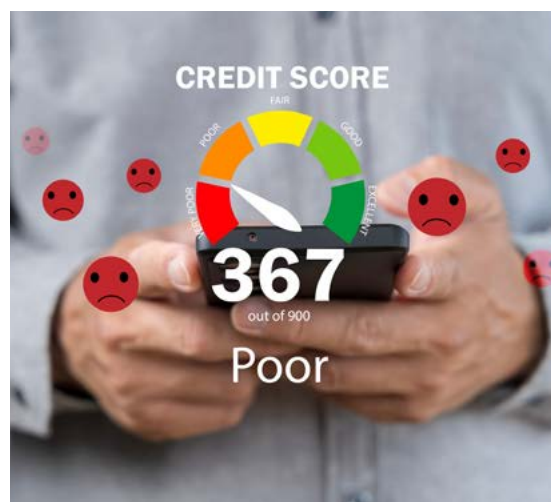
Alex is 22. At 19, Alex opened a credit card with a \$1,000 limit.

During the first year:

- The balance reached \$950 and stayed near the limit for several months.
- Two payments were reported more than 30 days late.
- The full balance has now been paid off.

Reflect

Although Alex has fully repaid the debt, how might this early credit behavior still affect Alex's financial future?



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POST-QUIZ

Credit Scores & Credit Reports

What + Why: You made it to the end of the topic! This quick, ungraded quiz shows how your thinking has grown since the pre-quiz.

Instructions:

1. Answer each question as best you can.
2. Circle the best answer for each question.
3. Submit it when you're done.

1. How does a higher credit score typically affect the cost of borrowing?
 - ☐ a. A higher credit score improves chances of loan approval.
 - ☐ b. A higher credit score lowers interest rates and may improve loan terms.
 - ☐ c. A higher credit score increases required monthly payments.
 - ☐ d. A higher credit score eliminates the need for a down payment.
2. Which action most helps build a strong credit history?
 - ☐ a. paying bills on time consistently
 - ☐ b. using most of a credit limit regularly, even while making payments
 - ☐ c. applying for many credit cards
 - ☐ d. borrowing large amounts frequently

3. Why are consumer protection laws important?

- ☐ a. They remove financial risk.
- ☐ b. They help correct errors and protect consumers from fraud.
- ☐ c. They eliminate the need for credit reports.
- ☐ d. They allow banks to control credit scores.

4. If you believe you are a victim of fraud, what should you do?

- ☐ a. Wait to see if it fixes itself.
- ☐ b. Report the issue immediately to financial institutions and authorities.
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