

Name: \_\_\_\_\_ Period: \_\_\_\_\_ Date: \_\_\_\_\_

## **What's the Score?**

1. John got his first credit card three years ago and now has four different cards; two of these loans were applied for in the last year. Of the four credit cards he has, only two have a balance. Card 1 has a balance of \$300 and Card 2 has a balance of \$150. John was 30 days late on one of his payments. Although he had missed one payment, he does not have any past due balances. John only uses his cards for emergency situations and does not use more than 25% of his available credit limit. He recently purchased a new car and had to take out his first loan. John decided a 3-year loan would be best for his financial needs. He has never filed for bankruptcy.

John's credit score is \_\_\_\_\_.

What could John do to improve his credit score?

2. Sara has just received her first credit card. She has only had it for three months, but has already reached 75% of her credit limit. Her current balance is \$750. She has never missed a payment and pays more than the minimum balance. Sara does not have any loans and has not applied for any other credit cards.

Sara's credit score is \_\_\_\_\_.

What could Sara do to improve her credit score?

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3. After applying for four different credit cards this year, Jesse recently received his third credit card. He received his first card two years ago. All three credit cards have a balance remaining for a total of \$1700. Two of the cards have been maxed out and the third card has reached 10% of the credit limit. One card has a past due balance of \$200, is 90 days late and has been referred to a collection agency.

Jesse's credit score is \_\_\_\_\_.

What could Jesse do to improve his credit score?

4. Who poses the most risk for potential lenders? (lowest credit score)

5. Create a bar graph to show the credit scores of John, Sara and Jesse.