



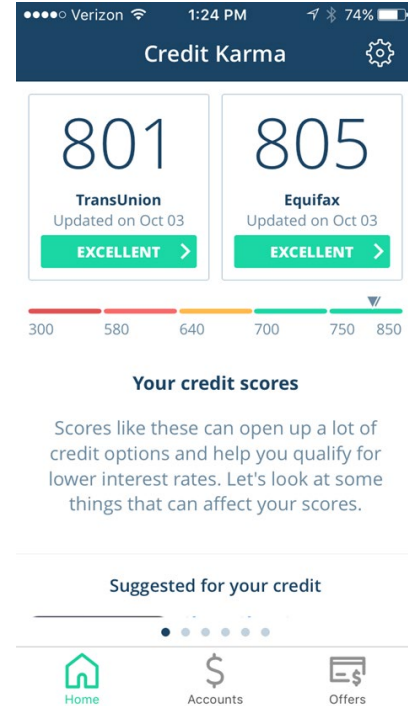
**Get Smart About Credit**

# What is Credit?

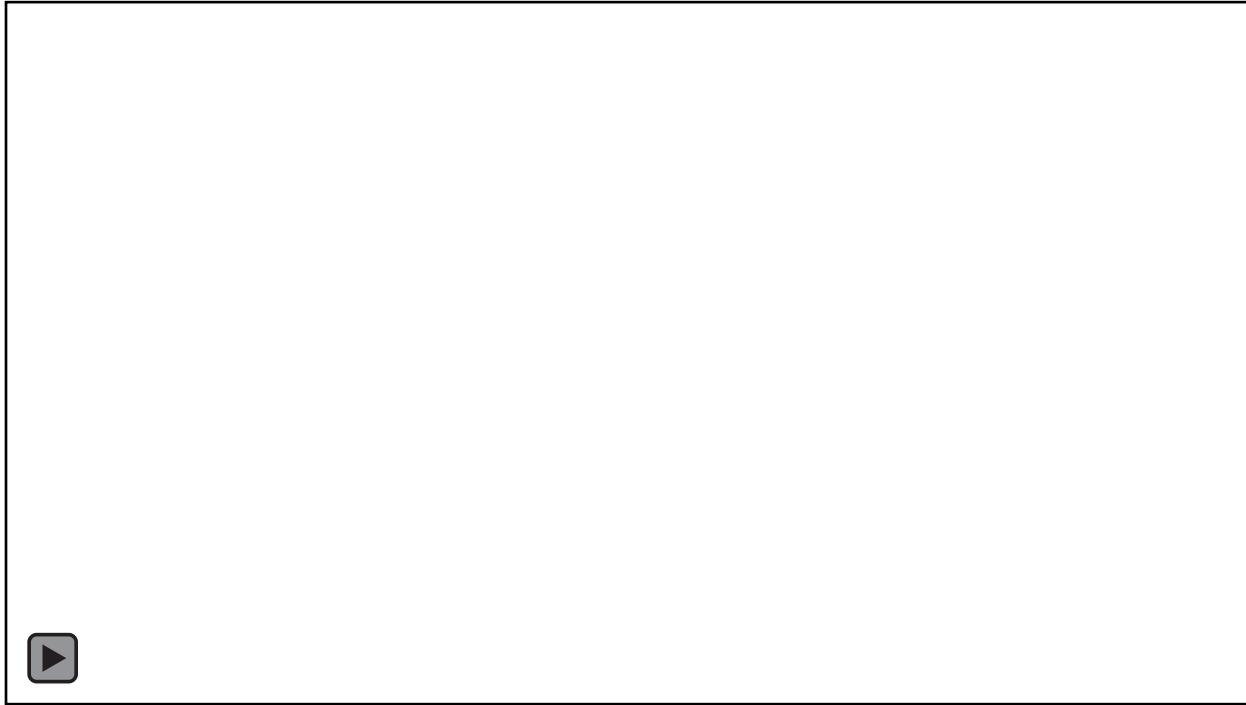
- Customers can get goods or services without paying right away. They trust that they will pay in the future. This is called credit.
- A customer can buy something without paying right away. They trust that they will pay for it later. This is called "buying on credit".
- Customers can get things before they pay for them. They trust that they will be able to pay the money later.

# Credit Score

- Your credit “Grade” is based on a number scale.
- This is called a **Credit Score**
- This is the range of credit scores
  - 800 to 850: *Excellent (A+)*
  - 740 to 799: *Very Good (A)*
  - 670 to 739: *Good (B)*
  - 580 to 669: *Fair (C)*
  - 300 to 579: *Poor (D)*



# Why your Credit Score is Important



# Good Credit vs. Bad Credit

- Honda Civic
  - Loan Amount = \$11,000
  - Loan Term = 5 Years
- A Credit
  - Interest Rate = 1.99%
  - Payment = \$192.76
- D Credit
  - Interest Rate = 14.00%
  - Payment = \$255.96
- Difference = **\$63.20/month**

