

Challenge 2-A: Decide the Best Deal for You

NAME:

DATE:

As you work through the lessons and activities in NEFE's High School Financial Planning Program, you will complete challenge activities that can be compiled into a personal financial planning portfolio. For this challenge task, use what you have learned in **Lesson 1-3: Decisions** and **Lesson 2-2: Credit Costs** to make a thoughtful decision about using credit.

Directions:

- ☐ 1. Apply what you have learned about credit costs and criterion-based decision making as you complete this challenge. Preview the criteria listed in the Scoring Guide to plan your work.
- ☐ 2. Pick a situation where you or your family currently use or expect to use credit in the near future. For example, this might be a phone plan, car loan, school loan, or apartment rental. Gather information from two to three different businesses that provide credit for the situation. Use the DECIDE process to select the best option for your (or your family's) criteria.
- ☐ 3. Use the chart below or create a separate document to summarize your decision-making process. Review the six DECIDE action steps to guide your work. Your actions should take into consideration your current circumstances and values.
- ☐ 3. Self-assess your work using the Scoring Guide. Optional: Ask a classmate or family member to peer assess your work using the Scoring Guide.

	DECIDE Steps	My Situation		
1	Define your goal.			
2	Establish your criteria.			
3	Choose three good options.			
4	Identify the pros and cons of the options. Calculate costs for each option.			
5	Decide what's best.			
6	Evaluate the results.			

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Required Criteria		Status		
Content				
1.	In one sentence you state what you want to achieve as a result of the decision-making process.	acceptable	not acceptable	
2.	Outcome involves a decision about using credit.	acceptable	not acceptable	
3.	You justify how the decision and outcome relates to your current circumstances and values.	acceptable	not acceptable	
4.	Summary lists at least three criteria for an acceptable outcome, including the features you absolutely must have as well as features you would like to have or will not accept such as a specific payment limit.	acceptable	not acceptable	
Option Status Rating Key: "A" = Acceptable / "NA" = Not Acceptable		Option A	Option B	Option C
5.	Summary includes details about three possible options, including specific borrowing terms and costs.			
6.	You devise a way to illustrate how well each option matches your criteria.			
7.	You point out the solution that you have chosen.	acceptable	not acceptable	
8.	You justify why the chosen option was selected.	acceptable	not acceptable	
9.	Your choice is logical based on the known circumstances, stated criteria, and potential to achieve the desired outcome.	acceptable	not acceptable	
10.	You summarize what you do and don't like about your choice and justify any modifications that were made in the purpose, criteria, or solutions.	acceptable	not acceptable	
General				
11.	Content is clearly stated with distinct detail.	acceptable	not acceptable	
12.	Documentation is neat and easy to read.	acceptable	not acceptable	
13.	Calculations are accurate.	acceptable	not acceptable	
14.	Information about each option is accurate or can be verified.	acceptable	not acceptable	

Feedback: _____

Score: _____ / _____

Challenge 2-B: Building Creditworthiness

NAME:

DATE:

Write a letter to a potential lender or deliver a verbal sales pitch to defend your creditworthiness. Base the presentation on your current and near future circumstances. This will include an assessment of your situation plus an explanation of ways you can build on favorable behaviors and modify unfavorable behaviors.

As you work through the lessons and activities in NEFE's High School Financial Planning Program, compile your completed challenge activities into a personal financial planning portfolio. For this challenge task, use what you have learned in **Lesson 2-3: Credit Rating** to lay the foundation for a good credit score. Summarize what you can do to make a good impression for potential lenders.

Directions

- ☐ 1. Assess your current borrowing reputation (character) and your situation regarding capital and capacity. Summarize your level of readiness to take on credit when you are legally able to enter into contractual agreements. How do you predict lenders will rate you? Are you a high, medium, or low risk?
- ☐ 2. Think about the actions and habits you can apply to make a favorable impression to a creditor in spite of your young age and limited credit history. Use what you have learned about credit reporting and scoring to determine what you can do now as a teenager and as you transition into adulthood to establish credit history and a favorable credit rating. Preview the criteria listed in the Scoring Guide to plan your work.
- ☐ 3. Self-assess your work using the Scoring Guide. Optional: Ask a classmate or family member to peer assess your work using the Scoring Guide.

Challenge 2-B: Building Creditworthiness

NAME: _____

DATE: _____

Required Criteria		Status	
Content			
1.	You summarize your level of readiness to take on credit by rating yourself as <i>high</i> , <i>medium</i> , or <i>low</i> risk.	acceptable	not acceptable
2.	You provide evidence of how your borrowing reputation (character) is acceptable or unacceptable.	acceptable	not acceptable
3.	You state specific behaviors that you currently display or will apply to impress a potential lender that you are a responsible borrower.	acceptable	not acceptable
4.	<u>Without</u> providing specific personal financial data (such as account details or dollar amounts), you summarize how your capital condition is acceptable or unacceptable.	acceptable	not acceptable
5.	You state specific strategies that you currently or will apply to give a potential lender confidence that you can manage your funds and repay on time.	acceptable	not acceptable
6.	<u>Without</u> providing specific personal financial data (such as income dollar amounts), you provide evidence of how your capacity situation is acceptable or unacceptable.	acceptable	not acceptable
7.	You state specific strategies that you can apply to give a potential lender confidence that you can repay whatever amount is borrowed.	acceptable	not acceptable
8.	You state at least two ways that a favorable credit rating can potentially benefit you financially.	acceptable	not acceptable
9.	You state at least two strategies to overcome barriers that may impact your ability to build a credit history and favorable credit rating.	acceptable	not acceptable
General			
10.	Action strategies are appropriate according to the standard borrowing guidelines reviewed during learning sessions.	acceptable	not acceptable
11.	Content is clearly presented in a logical manner according to your instructor’s standards.	acceptable	not acceptable

Feedback: _____

Score: _____ / _____

Challenge 2-C: Credit Code of Behavior

NAME:

DATE:

As you work through the lessons and activities in NEFE's High School Financial Planning Program, compile your completed challenge activities into a personal financial planning portfolio. For this challenge task, use what you have learned in **Lesson 2-4: Rights and Responsibilities** to create your own personal *Code of Conduct for Borrowing*.

Although you might not need or even be able to take personal responsibility for credit now, you are on your way to developing the knowledge and positive habits that will help you avoid the pitfalls of debt problems. Consider how you will use what you learned about credit when you borrow, now and when you are legally able to enter into a credit contract agreement as an adult.

Directions:

- ☐ 1. Write out a personal statement that describes the habits and rules you will apply when using credit and managing debt. This personal Code of Conduct should be applicable to a variety of borrowing situations, whether to borrow money, use a credit card, take out a car loan, or pay for phone or Internet services.
 - Include standards of conduct you will follow when borrowing money and managing credit use. These rules for how you will behave—such as self-imposed dos and don'ts—should match your personal values and recommended habits for using credit.
 - Include standards of practice you will follow when deciding whether or not to borrow, entering into credit contract agreements, managing your debt load, and engaging with lenders. Your standards might include decision-making criteria and how-to procedures to guide your actions when borrowing money and managing debt.
- ☐ 2. Preview the criteria listed in the Scoring Guide to plan your work. If you completed Challenge 2-B: Building Creditworthiness, refer to your personal assessment and strategies to establish a favorable credit rating.
- ☐ 3. Self-assess your work using the Scoring Guide. Optional: Ask a classmate or family member to peer assess your work using the Scoring Guide.

Tips for Writing a Code of Conduct

- Consider how your code of conduct will help you put your values into practice.
- Think about how the code of conduct can help you make decisions.
- Include examples of acceptable and unacceptable behavior to clarify points.
- Assess how easy or challenging it will be for you to live by the code of conduct.
- Use simple, clear language that you will remember and that others will understand.

Challenge 2-C: Credit Code of Behavior

NAME: _____

DATE: _____

Required Criteria		Status
Content		
1.	State at least two standards of conduct (rules for how you will behave) when borrowing money and managing credit use.	acceptable not acceptable
2.	State at least two standards of practice (procedures that you will follow) when borrowing money and managing credit use.	acceptable not acceptable
3.	Code of Conduct standards are realistic based on the known circumstances, stated criteria, and potential to achieve the desired outcome.	acceptable not acceptable
4.	You state how your Code of Conduct supports your own values and personal financial goals.	acceptable not acceptable
5.	You state the potential ways that you will benefit financially by adhering to your Code of Conduct in the long-term.	acceptable not acceptable
General		
6.	Standards and action strategies are appropriate according to the borrowing guidelines reviewed during learning sessions.	acceptable not acceptable
7.	Code of Conduct is presented in complete sentences.	acceptable not acceptable
8.	Content is clearly presented in a logical manner according to your instructor's standards.	acceptable not acceptable
9.	Documentation is neat and easy to read.	acceptable not acceptable

Feedback: _____

Score: _____ / _____

This rating scale is a guide to use for grading student assignments and performance assessments.

Score Options			Rating	Explanation
10	50	100	Mastery	<input type="checkbox"/> Your performance meets or exceeds all required criteria detailed in the scoring guide and/or provided by your instructor. <input type="checkbox"/> There may be a minor flaw, but there are no major flaws or errors. <input type="checkbox"/> There is evidence that you will be able to repeat or continually improve this performance independently and could teach this competency/concept to other learners.
9	45	90	Accomplished	<input type="checkbox"/> Your performance meets all required criteria detailed in the scoring guide and/or provided by your instructor. <input type="checkbox"/> There may be two or more minor flaws, but there are no major or critical errors. <input type="checkbox"/> There is evidence that you will be able to repeat or improve this performance independently.
8	40	80	Acceptable	<input type="checkbox"/> Your performance meets minimum standards for all required criteria. <input type="checkbox"/> There may be more than two minor flaws, or one significant, but not critical, flaw. <input type="checkbox"/> You may have taken multiple attempts before achieving an acceptable performance. <input type="checkbox"/> There is evidence that you could repeat or improve this acceptable performance independently or with minimal coaching.
7	35	70	Developing	<input type="checkbox"/> Your performance shows evidence that learning is progressing. <input type="checkbox"/> Your performance does not yet meet the minimum standards for all required criteria.
6	30	60	Beginning	<input type="checkbox"/> Your performance does not yet meet the minimum standards for all required criteria. <input type="checkbox"/> There is evidence that an attempt has been made to start work, but progress is in the early stages of preparation.
0	0	0	Deficient	<input type="checkbox"/> There is no evidence of ability to apply what was learned. <input type="checkbox"/> Action does not show evidence of acceptable performance for the majority of required criteria.
			SCORE	

Feedback: