

The following excerpt is from a pamphlet I was subcontracted by The Imagineering Company to write for Education Finance Partners, a lender of private student loans. The target audience for this brochure is college students who have limited experience working with lenders.

**Education Finance Partners
Presents
Extra Credit**

Pop Quiz!

Just kidding. But do you know anything about Credit Reports or FICO Scores? No? I didn't either until I applied for a loan and discovered my FICO was in the low 600s – and let me tell you, that's not good. It's costing me \$100 more a month on my payments. And now I can't afford to buy the new car I want for at least another year. So sit back and let me fill you in, so you won't make the same mistakes I did, or worse yet, the mistakes my friend Jason made (a.k.a. FICO 520)...but we'll get to him later.

Extra Credit? No, not yet. This is just plain old Credit.

Here we go...Credit. It's all about buy now and pay later. You can buy all kinds of stuff on credit – cars, clothes, computers, even your education. Your credit card, your car loan, and your student loan are all forms of credit. But keep in mind that paying later doesn't mean paying late. Say you buy a cool new iPod for \$300 using your credit card (like my friend Jason did) and you miss your monthly payment – there's a penalty. Your interest rate could jump from 9% to 23% and that \$300 iPod could end up costing you \$400 by the time you pay it off. Ouch!

Credit History? No worries...there's no quiz on this one.

Lenders want to know your credit history, so they can decide whether to lend you money. Take my friend Jason for example; he has borrowed ten bucks from me the last two times we've gone out together and still hasn't paid me back. I don't want to lend him any more money, would you? Let's face it – I think Jason is a bad credit risk. Well, lenders, utilities (like the phone company and electric company) and even landlords think the same way. They want to be sure that we will pay our bills on time before doing business with us. So they review our credit history to see if we are good or bad risks.