

Whether you take out a loan to pay for an item or simply charge it, you are borrowing money. The interest you are charged is the cost of using some else's money.

Read the following situation and mark Yes or No based on whether you think the credit source could be used and explain what you think is good and/or bad about the source.



Juanita is a sophomore at State University. She wants to borrow \$2,000 to buy a new laptop computer.

**Loan Source 1:** Her family ( ) Yes ( ) No

---

---

---

**Loan Source 2:** Her bank (credit union, savings and loan) ( ) Yes ( ) No

---

---

---

**Loan Source 3:** A finance company (small loan company) ( ) Yes ( ) No

---

---

---

**Loan Source 4:** The retailer who sells her the computer ( ) Yes ( ) No

---

---

---

**Loan Source 5:** A credit card ( ) Yes ( ) No

---

---

---

Name: \_\_\_\_\_ Class: \_\_\_\_\_ Period: \_\_\_\_\_