

1 Watch the video and then choose the best option to complete the statements

1. You might watch this video to learn
 - a. which banks are the best to borrow from
 - b. about the history of banking in the United States
 - c. how borrowing money from a bank works
2. The *interest rate* on a loan is
 - a. a fine you pay for not repaying the bank
 - b. the money you borrow from the bank
 - c. a fee you pay for borrowing money

2 Rachel is a musician who needs to borrow some money form the bank. Watch the video again and complete the outline

A. Reason she needs to borrow money: _____

How much she needs: \$_____

B. First loan terms:

- _____% APR (annual percentage rate)
- Must pay back the loan in _____ year(s)
- Payment amount per month: \$_____
- If she accepted this loan, she would _____ of money in _____ months.

C. She finally finds a loan with a _____ APR and a _____ time frame.



3 Before accepting her loan, what two important things did Rachel learn?

- | | |
|--|--|
| ☐ the importance of making payments on time | ☐ how to budget your money |
| ☐ some banks don't lend money to students | ☐ interest rates can change |

4 Watch the video again and write TRUE or FALSE.

1. Sometimes borrowing money can help us accomplish a goal.

2. Financial institutions can't help you purchase a car.

3. Interest is paid at the end of the loan term.

4. All loans have the same interest rate and time frame.

5. A bank may charge fees for late payments on a loan.
