

Personal Finance Vocabulary Warm-up

Match the column on the right with the definitions:

- | | |
|-------------------------|--|
| _____ mortgage | (a) Money. |
| _____ default | (b) Stays the same over time. |
| _____ funds | (c) Guarantee a loan for somebody else. |
| _____ variable | (d) Money that you borrow on a credit card. |
| _____ fixed | (e) A check to see how well you can pay back a loan. |
| _____ co-sign | (f) The maximum you can borrow. |
| _____ cash advance | (g) A loan to buy a house or property. |
| _____ credit rating | (h) A bank account you use to save money. |
| _____ credit evaluation | (i) Be able to pay for goods or pay back a loan. |
| _____ credit limit | (j) Changes over time. |
| _____ annual | (k) Not pay back a loan. |
| _____ savings | (l) The cost of borrowing money. |
| _____ chequing | (m) An opinion on how well you can pay back a loan. |
| _____ afford | (n) Your income after you pay income taxes and expenses. |
| _____ interest | (o) The basic interest rate that banks use. |
| _____ net income | (p) A bank account you use for day to day expenditures. |
| _____ gross income | (q) Yearly. |
| _____ prime | (r) Your income before you pay taxes. |

Personal Finance Vocabulary Cloze

Fill in the blanks with the vocabulary items listed above each paragraph:

limit	cash advance	debt	pay back
default	funds	purchase	interest
afford			

Credit Cards

Credit cards are a convenient way to _____ goods. They also come in handy when you have a shortage of _____. If you need a little extra money for the weekend, you can take out a _____.



In spite of these benefits, credit card _____ can also cause serious problems for people. People spend more than they can _____. And because of the high _____ on money borrowed, the credit card debt becomes harder and harder to _____. Eventually, some people are forced to _____ on their payments. This is why credit card companies put a _____ on the amount that people can borrow.

credit risk	mortgage	savings	credit evaluation
afford	co-sign	default	

Mortgages



Most people don't have enough in _____ to purchase a house so they take out a house loan, which is called a _____. Before you get a mortgage, the bank will do a thorough _____ to make sure you can _____ the loan. If the bank feels you are a _____ they may ask you to find somebody else to _____ your mortgage. This person will be responsible for paying your mortgage if you _____.