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| **COURSE INTRODUCTION:**This is an introductory course for Banking and Financial Support Services which also operates a student bank as the implementation practicum. This course also introduces the student to personal finance, including opening and maintaining a checking account, and credit card pitfalls and proper use, a very important skill for all young adults. It is designed to familiarize the student with all aspects of a typical bank including savings, loans, operations, and audit functions. It also covers the history of banking, the organizational structure, and the operations and marketing of a student bank.COURSE RATIONALEFinancial literacy is essential in meeting the financial challenges of the 21st Century. The course provides valuable experience in running an actual bank while learning to analyze personal financial decisions, evaluate the costs and benefits of their decisions, recognize the rights and responsibilities as consumers, and apply the knowledge learned in school to financial situations encountered later in life. |
| **UNIT 6, DESCRIPTION:** Define and explain the lending process for financial institutions, the qualifying requirements, and categorization of loans. Students will learn the approval criteria for lending.  | **SUGGESTED UNIT TIMELINE: 3 weeks and throughout the school year in the bank activity** **CLASS PERIOD (min.): 5 min.** |
| **ESSENTIAL QUESTIONS:****1.**  What is the ability of banking to provide risk free deposit functions and almost unlimited lending by selling loans?**2.**  What sources have replaced lending as the primary means of revenue for banks and credit unions? **3.** How does borrowing establish credit and by what means does it do so?**4.**  What constitutes a legal obligation? What if a borrower fails to repay a loan and permits foreclosure or repossession? |
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| **ESSENTIAL MEASURABLE LEARNING OBJECTIVES**  | **CCSS LEARNING GOALS (Anchor Standards/Clusters)** | **CROSSWALK TO STANDARDS** |
| **GLEs/CLEs** | **PS** | **CCSS** | **OTHER****NBEA** | **DOK** |
| **1.** Introduce the lending function. |  |  |  |  | **PF.VI.1****PF.VI.2****PF.VII.1****PF.VII.2** | **3** |
| **2.** Classify the parties to Negotiable Instruments and their liabilities. |  |  |  |  | **PF.VI.1****PF.VI.2****PF.VII.1****PF.VII.2****PF.VI.3-4****PF.VII.3-4** | **3** |
| **3.** Introduce the concepts of legal restriction and lending policy parameters. |  |  |  |  | **PF.VI.1****PF.VI.2****PF.VII.1****PF.VII.2****PF.VI.3-4****PF.VII.3-4** | **3** |
| **4.** Learn to read and understand the credit report as the leading indicator of credit worthiness. Apply this knowledge by interpreting a tri-report. |  |  |  | **RI.11-12.3****RI.11-12.4****RI.11-12.7****RST.11-12.1****RST.11-12.2****RST.11-12.3****RST.11-12.4****RST.11-12.5****RST.11-12.6****RST.11-12.7****RST.11-12.8****RST.11-12.9** | **PF.VII.1****PF.VII.2****PF.VII.3-4** | **4** |
| **5.** Learn key components of the loan categories of real estate, consumer, secured and unsecured. |  |  |  | **RST.11-12.4****RST.11-12.5****RST.11-12.6****RST.11-12.7** | **PF.VII.1****PF.VII.2****PF.VII.3-4** | **4** |
| **6.** Introduce the concept of Holder in Due Cause. |  |  |  |  | **PF.VI.1****PF.VI.2****PF.VII.1****PF.VII.2****PF.VI.3-4****PF.VII.3-4** | **3** |
| **ASSESSMENT DESCRIPTIONS\*: (Write a brief overview here. Identify Formative/Summative. Actual assessments will be accessed by a link to PDF file or Word doc. )** **\*Attach Unit Summative Assessment, including Scoring Guides/Scoring Keys/Alignment Codes and DOK Levels for all items. Label each assessment according to the unit descriptions above ( i.e., Grade Level/Course Title/Course Code, Unit #.)** |
| **Obj. #** | **INSTRUCTIONAL STRATEGIES (research-based): (Teacher Methods)**  |
| 1,2,3 | **1.** Teacher led instruction from banking text on lending. Differentiate between the various types of loans. Use loan calculators on website to show cost of borrowing. Explain and demonstrate each component part of lending and the establishment of credit history. |
| 3,4,5 | **2.** Explain the role of lending in the community and the methods of banking in assuming risk.  |
| 3,5 | **3.** Use loan contract examples from banks to explain the legal obligations of borrowing and the types of loans. |
| **Obj. #** | **INSTRUCTIONAL ACTIVITIES: (What Students Do)** |
| 3,4,6 | **1.** Research and write about what is a deficiency balance for a loan. How does this affect your credit rating and why? |
| 1,3,4,5 | **2.** Research and write about the loan failure rate for consumer loans, real estate loans, small business loans (franchise vs. independent businesses) and the failure rate over time for larger businesses and give examples of well known businesses that have failed and why. |
| 2,3,4,5 | **3.** Find internet loan calculators and research the car you would like to buy. Determine your monthly cost of payment and how much interest will you pay over the duration of the loan. |
| **UNIT RESOURCES: (include internet addresses for linking)** [www.bankrate.com/](http://www.bankrate.com/) Introduce navigation of the website and to show cost of credit. [www.bankrate.com/**calculators**/auto/auto-**loan**-**calculator**.aspx](http://www.bankrate.com/calculators/auto/auto-loan-calculator.aspx) Specific calculator for auto loan calculation, others on same page of website.**Textbook suggestion: Banking & Financial Systems, 2013 by The Goodheart-Willcox Company, Inc.: print 139781605257785****Textbook suggestion: Personal Finance, 2012 by Kapoor, Dlabay, Hughes - McGraw-Hill: print 139780073530697****Textbook suggestion: Banking Systems, 2nd edition 2010, Cengage Learning: eText 139781439028483, print 139780538449281****Resources @ MCCE:****BE DVD ROM 31.3 - Credit, Borrowing, and Debt-Personal Finance Essentials: Financial Literacy for Young Earners**Meridian ProductionNEW YORK, NY, MERIDIAN PRODUCTION, 2011.DVD ROM — This program provides practical information about credit card use, credit reports, credit problems, and managing debt. Viewers learn about how to build a credit history and raise a low credit score—and why this is important. The program explains various credit card fees, charges, and rates, and cautions against relying on cash advances. Mortgages, home equity loans, and the more costly “alternative” loans are covered as well. The program closes with strategies for getting and staying out of debt. Highlights include applying for a car loan, a checklist of warning signs of financial irresponsibility, and ways to fix credit problems. 37 minutes. BE DVD ROM 31.5 - Understanding Credit Basics: Know the Score!Learning SeedCHICAGO, IL, LEARNING SEED, 2010.DVD ROM — Introduction to credit basics that describes what credit is, how it is used, and what types of credit are available – including school loans, car loans and mortgages. The viewer is introduced to the importance of credit history and the understanding of how credit is measured and what a credit score means. Viewers have the opportunity to learn ways to establish and maintain good credit, as well as tips to overcome bad credit. 23 minutes. E 13.0000 N287 - Math in Everyday Life, Third EditionDavid E. NewtonPORTLAND, ME, WALCH PUBLISHING, 2001.BOOK — This publication provides a realistic simulation of a family's income and expenses over the course of a year, giving students an opportunity to see how basic math skills are applied to all aspects of everyday life including: income; budgets; checking accounts; savings accounts; grocery shopping; mortgage loans; home repairs and improvements; utility and fuel bills; automobile expenses; life insurance; income tax. Includes a teacher's guide. FCS DVD ROM 54 - 21st Century Money Management: LoansC. W. PublicationsSTERLING, IL, C.W. PUBLICATIONS, 2005.DVD ROM — One of a series of five DVDs packed with information about banking in the new millennium. Not only are the basics of opening and maintaining accounts covered, but these DVDs also teach viewers how to manage their money successfully. Special focus is given to online banking functions and resources. Series titles include: Checking Accounts; Savings; Credit Cards; Loans; Financial Planning. Grade 7 - Adult. 20 to 25 minutes. FCS VIDEO 18 - 21st Century Money Management: Financial PlanningC. W. PublicationsSTERLING, IL, C.W. PUBLICATIONS, 2005.VIDEO — One of a series of five videos packed with information about banking in the new millennium. Not only are the basics of opening and maintaining accounts covered, but these videos also teach viewers how to manage their money successfully. Special focus is given to online banking functions and resources. Series titles include: Checking Accounts; Savings; Credit Cards; Loans; Financial Planning. Grade 7 - Adult. 20 to 25 minutes.  |