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Bank On It!

Bank On It!

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TABLE OF CONTENTS

Goals and Objectives…….. Page 3

Standards…… Page 4

Overview……. Page 7

Terms…….. Page 8

Resources…… Page 9

Lesson Plan …… Page 10

Lesson Hook…… Page 11

Activity 1.1 Acrostic…… Page 11

PRE/POST ASSESSMENT…… Page 12

Activity 1.2: Interdisciplinary Connection (e-book) …… Page 13

Letter to Parent/Guardian…….. Page 14

Activity 1.3 Lending and Borrowing Role-Play…… Page 15

Activity 1. 4 Debating the Issue…… Page 22

CIVIC ENGAGEMENT PART I (Civic Action) ……. Page 24

CIVIC ENGAGEMENT PART II (The Power of the Pen: Letter Writing)…… Page 25

References…… Page 26

GOALS and OBJECTIVES

GOALS

1. Identify 21st century financial literacy skills giving student access to the global economy.
2. Identify appropriate literature (books and films) that inspires financially literate consumers.
3. Explain the difference between Depository Institution Systems versus Alternative Financial Services (AFS).
4. Understand the role of the Federal Depository Insurance Corporation (FDIC) as an institution that provides insurance protection for consumers.
5. Understand how marginalized consumers are the leading unbanked population and why fringe lending are more accessible in certain neighborhoods.
6. Examine the purpose of consumer financial education regarding student access to banking reducing the need for Alternative Financial Services (AFS)..
7. Analyze data regarding unbanked, underbanked, and banked households to understand consumer debt.
8. Identify the role of youth programs in reducing financial status of unbanked and underbanked households
9. Create opportunities to incorporate stakeholder involvement from the business sector in classroom instruction.

OBJECTIVES

Upon instructional delivery of this curriculum, learners will be able to:

1. List the key information both borrowers and lenders need to know to make informed loan decisions.
2. Comprehend how the cycle of poverty and reoccurring overdraft bank fees are causes of underbanked practices.
3. Explain how a person's education may lead to wise financial decision-making.
4. Discuss why marginalized consumers utilize Alternative Financial Services (AFS) such as car title loans, nonbank check cashing, nonbank money orders, paws shop loans, payday loans, refund anticipation loans, and rent-to-own stores and explore the reasons consumers give for using these products
5. Explain loan offers and determine the best one for a borrower.

STANDARDS

Council For Economic Education National Standards

Financial Literacy III.6:
When people deposit money into a bank, the bank may pay them interest. Banks attract savings by paying interest. People also deposit money into banks because banks are safe places to keep their savings.

Financial Literacy III.8
Different people save money for different reasons, including large purchases (such as higher education, autos, and homes), retirement, and unexpected events. People's choices about how much to save and for what to save are based on their tastes and preferences.

Florida College Technical Education

CTE-FIN.68.BANK.01
Demonstrate an understanding of the banking services career pathway.

CTE-FIN.68.BUSFIN.01
Demonstrate an understanding of the business finance career pathway.

CTE-FIN.68.BUSFIN.04
Develop skill in interpreting the financial section of the daily newspaper.

Florida's B.E.S.T. Standards

ELA.9.C.1.3
Write to argue a position, supporting claims using logical reasoning and credible evidence from multiple sources, rebutting counterclaims with relevant evidence, using a logical organizational structure, elaboration, purposeful transitions, and a tone appropriate to the task.

ELA.12.C.1.3
Write arguments to support claims based on an in-depth analysis of topics or texts using valid reasoning and credible evidence from sources, elaboration, and demonstrating a thorough understanding of the subject.

ELA.9.C.4.1
Conduct research to answer a question, drawing on multiple reliable and valid sources and refining the scope of the question to align with findings.

ELA.12.C.4.1
Conduct research on a topical issue to answer a question and synthesize information from a variety of sources.

ELA.9.C.5.2
Use online collaborative platforms to create and export publication-ready quality writing tailored to a specific audience.

ELA.12.C.5.2
Create, publish, and share multimedia texts through a variety of digital formats.

ELA.12.V.1.1
Integrate academic vocabulary appropriate to grade level in speaking and writing

ELA.K12.EE.1.1
Cite evidence to explain and justify reasoning.

ELA.K12.EE.3.1
Make inferences to support comprehension.

ELA.K12.EE.4.1
Use appropriate collaborative techniques and active listening skills when engaging in discussions in a variety of situations.

Florida Mathematics

MA.912.F.4.1
Develop personal budgets that fit within various income brackets.

MAFS.912.S-MD.1
Calculate expected values and use them to solve problems.

Florida Social Studies with Financial Literacy

SS.7.E.1.2
Discuss the importance of borrowing and lending in the United States, the government's role in controlling financial institutions, and list the advantages and disadvantages of using credit.

SS.8.FL.3.1
Explain that banks and other financial institutions loan funds received from depositors to borrowers and that part of the interest received from these loans is used to pay interest to depositors for the use of their money.

SS.912.E.2.1
Identify and explain broad economic goals.

SS.912.E.2.2
Use a decision-making model to analyze a public policy issue affecting the student's community that incorporates defining a problem, analyzing the potential consequences, and considering the alternatives.

SS.912.FL.1.2
Explain that people vary in their willingness to obtain more education or training because these decisions involve incurring immediate costs to obtain possible future benefits.

SS.912.FL.2.Su.a
Compare consumer decisions based on the price of goods or services and the price of alternatives.

SS.912.FL.4.3
Explain that loans can be unsecured or secured with collateral, that collateral is a piece of property that can be sold by the lender to recover all or part of a loan if the borrower fails to repay. Explain why secured loans are viewed as having less risk and why lenders charge a lower interest rate than they charge for unsecured loans.

SS.K.E.1.3
Recognize that people work to earn money to buy things they need or want.

OVERVIEW

The Bank On It! (BOI) curriculum resource packet is suitable for secondary Business, Economics and Financial Literacy courses but can be adapted to any K-12 classroom that integrates the core concepts of consumer finance protection, fringe lending, and depository institutions. Financial Literacy is a part of the frontline education as seen through the emphasis of national standards and corporate investment in Financial Literacy programs. To achieve the intended outcome, students must be introduced to real-world issues concerning fringe lending i.e. Alternative Financial Service (AFS). Equally important, students will experience college and career readiness skills associated with banking, business finance and economics. In addition, the curriculum supports Cambridge International IGCSE and AICE Business Courses through the concepts of external influences on business activity such as government economic policies and regulations, ethical business practices, and the social impact of local businesses.

TERMS

1. Alternative Financial Services (AFS)
2. Annual Percentage Rate (APR)
3. Banked
4. Behavioral Economics
5. Capitalism
6. Consumer Financial Protection Bureau (CFPB)
7. Consumer Protection Act
8. Corporate Social Responsibility
9. Cycle of Poverty
10. Depository Institutions
11. Dodd-Frank Wall Street Reform
12. Equity
13. Fair Lending Act
14. FICO Score
15. Fringe Lending
16. Market Economy
17. Marginalized Populations
18. Payday Loans
19. Personal Finance
20. Predatory Lending
21. Refund Anticipation Loan
22. Scarcity of Banks in low income and minority neighborhoods
23. Unbanked
24. Under Banked
25. Vantage Score

RESOURCES

1. Maxed Out: Hard Times, Easy Credit and the Era of Predatory Lenders by James D. Scurlock (teacher access to Audible or Kindle)

2. Maxed Out A Documentary On Predatory Lending https://www.youtube.com/watch?v=Zvs10rN-DoE

3. Desktop Computer

4. Projector

5. Calculators

6. Composition book or loose leaf paper (if digital portfolio, can type)

7. Smart Board

8. Student device

9. Internet access

LESSON PLAN

LESSON INTRODUCTION

According to the Federal Deposit Insurance Corporation (FDIC), one out of every 13 U.S. households lives without a checking or savings account. The lack of access to traditional banking services forces millions of people to find alternative sources, often resulting in outrageous fees. To quell this poverty cycle, financial literacy among student consumers is a critical step to increasing banking participation. Some local banking institutions provide financial literacy curriculum to high school students and offer student-friendly bank accounts with the opportunity to save for school activities, college, or a car by managing their money responsibly. In one of this workshop's exercises, students role-play to understand how predatory lending increases debt. As unbanked consumers, they use check cashing stores to cash their paychecks, pay bills for car insurance, cell phone, other miscellaneous items, while obtaining several advanced payday loans, racking up fees. After completing the math, students realize how much debt was incurred and that access to a bank account creates financial stability and develops skills to manage saving, spending, and building of their credit.

THE WHY

Four reasons why consumers use nonbank check cashing services:

1. No bank account
2. Access to money faster
3. Convenient
4. Do not trust banks

Consumers with no formal post-secondary education is associated with not having a bank account than those with higher levels of education. Similarly, Blacks and Hispanics are more likely not to have a bank account and were more likely to use check cashing stores to have quick access to money.

ESSENTIAL QUESTIONS:

1. In what ways do banks provide consumers better protections than Alternative Financial Services?

2. What is the role of a consumer (borrower) in the lending process?

3. Why is important to understand how one's credit history affect the interest on a loan?

LESSON HOOK

Background Knowledge Probe

VIEW: A Portrait of Poverty in America: Job Insecurity and Payday Lending [4:37]
https://www.youtube.com/watch?v=EtqchgO03xI

10 minutes whole group discussion

Questions for students to answer verbally or as journal writing.

1. What do you know about Personal Finance Topic Lending and Borrowing?
2. Do you have a personal connection to the topic and want to share?
3. After watching the video, what are your thoughts about poverty in the United States and payday lending?
4. Have you watched movies, seen advertisements or read books about the topic?
5. What questions do you have about the topic?

Activity 1.1 Acrostic
5 minutes
Individual and Small Groups

To understand student prior knowledge on Personal Finance: Lending and Borrowing, instruct the students to write these words on a sheet of paper **debt** and **budget**. Using each letter in the word, write associated terms and a definition for each. Allow 2 minutes for students to respond individually then 3 minutes in small groups.

D E B T

Distress – a feeling of overwhelmingness because of heavy debt accumulation
Eviction – what happens when a consumer cannot afford living expenses
Bankruptcy – last resort for consumers who owe money but cannot repay their debt
Taxes – a debt paid to the Internal Revenue Service (IRS)

B U D G E T

Banked – consumers who use a depository institution
Unbanked – consumers who use Alternative Financial Services (AFS)
Dividend – a sum of money paid by a company to its shareholders out of its profits
Good-Decision-Making – choosing to save instead of spending reduces debt
Excellent Credit – establish a credit history based on paying debt on time
Time – this is one of the most valuable consumer asset, like money use your time wisely

PRE/POST ASSESSMENT

Administer this assessment at the start and end of the lesson.

Grade level: High school (7–12)

Duration: 25-30 minutes

Directions: Create (copy and paste) this assessment into a Microsoft Word document. Share the document with students virtually. Instruct them to type their response. Ask the students not to use the internet to answer the questions. Explicit instruction will be provided during the delivery of this instructional resource.

1. In 1933, the Federal Reserve Banking System was established because of what major event in United States history?
2. What role does the Federal Reserve Banking System play in consumer banking?
3. What is the Consumer Financial Protection Bureau (CFPB)?
4. List the various types of Alternative Financial Services (AFS)?
5. What is one advantage and one disadvantage of using Alternative Financial Services?
6. What is the primary purpose of a bank?
7. How might the economy suffer if there were no banks?
8. How are banks and Alternative Financial Services differ?
9. How do depository institutions differ from non-depository institutions?
10. What are some benefits offered by depository institutions?
11. What does the acronym FDIC mean?
12. How does the FDIC differ from the National Credit Union Share Insurance Fund (NCUSIF)?
13. How are payday loans differ from bank loans?
14. What do cashier's checks, non-bank issued money orders and traveler's check have in common?
15. Why is it important to understand consumer rights and protections?

Activity 1.2: Interdisciplinary Connection

Maxed Out: Hard Times, Easy Credit and the Era of Predatory Lenders by James D. Scurlock (2007)

Targeted Audience: Upper high school grades 11-12
Duration: 5 hours
Access: Audible or Kindle

Letter to parent is highly recommended due to the real conversation and personal perspectives.

Questions to answer while listening to the e-book.

1. In chapter one, the author introduces the concept Tennesseans being obsessed with debt. What does this mean?
2. Who is Dave Ramsey and what is the "promise of freedom"?
3. According to The American Bankruptcy Institute (2019), the top four states with the highest rates of bankruptcies are Alabama, Tennessee, Georgia and Mississippi. What are factors contributing to this outcome?
4. Hurricane Katrina devastated the lives of people residing in New Orleans. The cost in damages was approximately $125 billion. What did the book discuss regarding the cycle of poverty in New Orleans?
5. Should it be legal for lenders to sell consumer debt to third party companies?
6. What are the benefits and disadvantages of capitalism?
7. Janne O'Donnell parent of Sean Moyer and Trisha Johnson parent of Mitzi Pool testified before a Congressional Committee Hearing on the danger of predatory lending that led to their child committing suicide. What is behavioral economics and how can this concept be addressed by policy makers?
8. Marginalized group in the United States includes racial/cultural minorities, military servicemen and women, persons living in poverty, uneducated, homeless, with disabilities, and felons. How has "predatory lending" impact these individuals?
9. President George W. Bush signed into law in 2005 The Bankruptcy Abuse Prevention and Consumer Protection Act, according to the book, what is the impact on consumers then and now?
10. In 2008, President Obama faced a national financial crisis, what was the purpose of the Dodd-Frank Wall Street Reform and Consumer Protection Act?
11. Who is responsible to provide consumer finance education (financial literacy) to consumers? Why?
12. In the book, banks and credit card companies (who are backed by banks) are equally responsible for contributing to consumer debt. In what ways is this statement true?
13. Make the connection, under current President Donald Trump what is his policy on predatory lending?

Dear Parent/Guardian:

Your child is currently studying **Personal Finance** as part of her/his/their coursework in _____ class. To reinforce your child's learning experience/understanding of **Predatory Lending**, I am planning to play the Audible book Maxed Out: Hard Times, Easy Credit and the Era of Predatory Lenders by James D. Scurlock on _____. (date)

The book features real conversations and personal perspectives regarding how different systems (government, financial, and religious) dealt with the debt crises facing consumers.

I can assure you the book is providing your child valuable information to prepare her/him/they for life skills when making financial decisions regarding banking, borrowing, and saving.

Please complete the form below authorizing your child to participate in the forementioned book study.

Please feel free to contact me if you have questions.

Sincerely,

Activity 1.3 Lending and Borrowing Role-Play

Topic: Personal Finance and Decision-Making Skills
Grade level: High school (7–12)
Duration: 60-75 minutes

Students take on the role of a lender or borrower to pose questions, apply formulas to calculate interest, and evaluate data to inform borrowing and lending decisions.

Whole-class introduction

1. To understand credit score, discuss the difference between a FICO Score and Vantage Score.
2. Practice calculating loan payments.
3. Review the lenders and borrowers role play instructions and facts sheet.
4. Decide which students will assume the role of the lenders and the borrowers. If students are not assigned, have them to be observers.
5. Be sure students understand key vocabulary:
   a. Lender: An organization or person that lends money with the expectation that it will be repaid, generally with interest.
   b. Borrower: A person or organization that borrows something, especially money from a bank or other financial institution

Ask students to take a few minutes to brainstorm with a peer or in small groups key factors to consider when shopping for a loan. What might lenders be most interested in? What concerns and questions might they have? What might borrowers be most interested in? What concerns and questions might they have? Split the class into two groups: lenders and borrowers. Explain that for each round, students will play the role of either a lender or
a borrower.

Be sure students understands how to calculate **APR:**

1. Add total interest paid over the duration of the loan to any additional fees.
2. Divide by the amount of the loan.
3. Divide by the total number of days in the loan term.
4. Multiply by 365 to find annual rate.
5. Multiply by 100 to convert annual rate into a percentage.

Principal of the Loan is the loan total or loan total minus the down payment.

Activity 1.3 Lending and Borrowing Role-Play

LENDER INSTRUCTIONS

1. Review the details of your lending institution.
2. Meet with several different borrowers (students). During each meeting, ask key questions to help you determine which borrowers would be a good credit risk for your lending institution.
3. For any potential offer you make, decide the length of the loan and the APR and record these details along with the borrower's name.
4. After meeting with several borrowers, determine the amount of money your lending institution will make from each loan offer you made.
5. Evaluate all of the loan offers you discussed with borrowers.
6. Write a reflection of your experience as a lender and the factors you considered when approving or denying each loan.

Determining creditworthiness in the loan interview

1. Ask these questions during your loan interview with a potential borrower:
2. What do you need this loan for?
3. How much money do you need to borrow?
4. How much do you make each month (what is your monthly net income)?
5. How much of a down payment do you plan to make?
6. How many months will it take for you to pay this back?
7. Tell me about your credit history and credit rating.

Your task is to avoid making an offer to any borrowers you feel are a risk to your financial institution. If you feel a borrower is creditworthy, you can make an offer.

For each loan you make, decide the APR and length of the loan.
Record details of your loan offer in the table below.

RECORD LOAN OFFERS

LOAN #	BORROWER #	MONTHLY INCOME	AMOUNT OF PRINCIPAL LOAN	LOAN APR	LENGTH OF LOAN

Use this interest formula to determine the interest your financial institution will earn:

Interest = Principal x Rate x Time

LOAN #	INTEREST EARNED

Reflection
Write a reflection paragraph below describing your experience as a lender.
How did you determine which loan candidates were a good risk for your lending institution? What factors did you take into consideration when determining whether or not to offer a loan? How did this feel?

Activity 1.3 Lending and Borrowing Role-Play

BORROWER INSTRUCTIONS

1. Approach several lenders and ask about the possibility of obtaining a loan and the cost to you.
2. Answer the loan officer's questions about your creditworthiness and the type of loan you need so they can decide on your credit risk.
3. Record whether a lender made you a loan offer. If an offer was made, note details about the offer.
4. After meeting with several loan officers, determine the total cost of repayment for each loan offer you received.
5. Evaluate all of your loan offers and choose one offer to accept.
6. Write a reflection of your experience as a borrower

OFFERS FROM LENDERS TO CONSIDER

	LENDER 1	**LENDER 2**	**LENDER 3**
Name of Lender			
Did they offer you a loan? (Yes/No)			

	LENDER 1	**LENDER 2**	**LENDER 3**
Amount of Loan Offered			
APR Offered			
Length of Loan			

Evaluate your offers
Use this interest formula to determine the interest you will pay on each loan and the total amount you will repay:

Interest = Principal x Rate x Time

Lender name	**Loan Principal**	**Loan APR**	**Length of loan**	**Interest paid**	**Total to be repaid (Principal + Interest)**

Reflection
Write a reflection paragraph based on your experience in applying for a loan. How did your creditworthiness affect the offer you received? Which loan offer would you accept? Why would this be your choice? What factors did you consider when making that decision? How will this loan affect the amount of money you have left each month, after paying for essentials and paying any other bills and loans?

Activity 1.3 Lending and Borrowing Role-Play

Lenders and borrowers fact sheet

In order to borrow money to make a purchase, a consumer (the borrower) meets with a lender to secure a loan. This handout provides brief descriptions of several fictitious lenders and borrowers.

Lenders: The institution that loan money

Eastern Lending	**Western Bank**
• Specializes in auto loans and mortgages • Prefers borrowers who will provide a down payment • Offers loans from 3 to 6 percent APR • Loans from 6 months to 30 years • No penalty for early payoff	• Specializes in loans for borrowers with no previous credit history • Offers loans from 8 to 12 percent APR • Loans from 1 to 5 years • Penalty for paying off loan early
Southern Bank	**Northern Credit Union**
• Specializes in personal loans over $10,000 • Requires borrowers to provide a down payment • Offers loans from 6 to 8 percent APR • Loans up to 20 years • No penalty for early payoff	• Specializes in personal loans for borrowers with good to excellent credit • Offers loans from 3 to 6 percent APR • Loans up to 40 years • No penalty for early payoff
Homestead Lending Inc.	**Northwestern Credit Union**
• Specializes in auto loans, mortgages, and education loans for all borrowers • Prefers borrowers who will provide a down payment • Offers loans from 4 to 10 percent APR; currently offering 6 months no interest • Loans up to 20 years • Penalty for paying off loan early	• Specializes in personal loans for all borrowers • Requires down payments on all loans • Offers loans from 4 to 10 percent APR; currently offering 6 months no interest • Loans up to 20 years • No penalty for early payoff
Quick Payday Lenders	**Lucky Pawn**
• Specializes in quick loans $1000 and under • Loan fees ranging from $10 to $30 for every $100 borrowed • Short-term loan repaid in 14 days • Penalty for not paying loan	• Specializes in collateral-based loans • Requires giving up a consumer asset (something of value) • Loan is a fraction of what the asset is worth • Short-term loan repaid in 30-120 days • Penalty for not paying loan

Activity 1.3 Lending and Borrowing Role-Play

Borrowers: Consumers who need a loan

Borrower # 1	**Borrower # 2**
$10,000 college loan No down payment Repay the loan in 10 years No credit history, but parents are willing to cosign on a loan College student working weekends at local restaurant Monthly net income is $1,000 **No credit history**, so no current credit score	$15,000 car loan Down payment of $2,000 Repay the loan in 6 years Pays off loans early and has never missed a payment Paralegal at law office Annual salary of $49,960 Monthly net income is $2,869 **Credit score**: 780 FICO score (excellent rating)
Borrower # 3	**Borrower # 4**
$30,000 home improvement loan No down payment Repay the loan in 10 years Has missed a payment on previous loans Paper mill worker for 20 years Annual salary of $49,480 Monthly net income is $2,854 **Credit score**: 720 Vantage Score (good rating)	$8,000 loan for Hawaiian vacation No own payment Repay the loan in 10 years Has missed a payment on previous loans Teacher Annual salary of $58,780 Monthly net income is $3,445 **Credit score**: 680 FICO score (good rating)
Borrower # 5	**Borrower # 6**
$3,000 loan to attend a high school reunion No down payment Repay the loan in 5 years New borrower only one prior experience with a loan; still paying it off First job out of high school, customer service representative at local bank Annual salary of $25,980 Monthly net income is $1,375 **Credit score:** 670 FICO score (good rating)	$5,000 loan for a car repair bill No down payment Repay the loan in 3-5 years Has a history of late payments Entry-level dock worker Annual salary of $25,870 Monthly net income is $1,367 **Credit score**: 550 FICO score (fair rating)
Borrower # 7	**Borrower # 8**
$125,000 loan for a house Down payment of $12,000 30-year mortgage loan Worked to develop positive credit history while in college Emergency room nurse (with BSN degree) Annual salary of $70,000 Monthly net income is $4,109 **Credit score**: 740 Vantage Score (good rating)	$1,000 loan for a new laptop Down payment of $100 Repay the loan in 1 year Making payments on one car loan Insurance agent Annual salary of $52,460 Monthly net income is $3,027 **Credit score**: 920 Vantage Score (excellent rating)

Activity 1. 4 DEBATING THE ISSUE

READ

The Pros and Cons of Payday Loans
https://www.self.inc/blog/pros-cons-payday-loans

The Pros and Cons of Payday Loans	
PROS	CONS

TEACHER KEY

The Pros and Cons of Payday Loans

The Pros and Cons of Payday Loans	
PROS	CONS
Pro 1: Easy to access The number one advantage of payday loans is easy to access. In fact, many cash advance lenders promise access to cash within 24 hours. Some are even available 24 hours a day, 7 days a week and have online applications. **Pro 2: Fewer requirements than other loans** Traditional lenders usually require a Social Security number, photo ID, proof of income, a credit check and will verify your ability to repay a loan. Individuals age 18 or older can apply. **Pro 3: No credit check requirement** Unlike traditional loans where you need good credit to be approved, payday loans don't require a credit history. Since they don't pull your credit, that also means no hard credit inquiry, which can lower your credit score by several points. **Pro 4: Unsecured loan** Unlike a car title loan, traditional auto loan or mortgage, payday loans are not secured by personal property. This means that if you default, the lender can't seize your property as a consequence. **Pro 5: Quick solution to a problem** An appealing aspect to payday loans is the quick response to a current financial problem.	**Con 1: Expensive** Depending on the state, payday loans have high interest rates that average about 400%. For comparison, many personal loans charge about 4%-36% interest, while credit card interest ranges from about 12-30%. **Con 2: Predatory practices** A predatory loan is defined as having unfair, misleading or unaffordable terms and has the potential to trap users in a cycle of debt. Payday loans are viewed as a type of predatory loan because of the high costs that can escalate quickly. **Con 3: Cycle of debt** Each time you extend (rollover) a loan, a payday lender charges additional fees, increasing your out-of-pocket costs for borrowing the money. **Con 4: Target low-income communities** According to a 2016 report by the Center for Responsible Lending, payday lenders are mostly located in minority communities. The report found, there are about 8.1 payday loan stores per 100,000 people in African American and Latino communities. **Con 5: Burrower bank account access** To gain access to a fast cash advance, borrowers are often required to grant the lender access to their bank account. While setting up direct deposit to make bill and loan payments is pretty common now, this account access works a little differently.

CIVIC ENGAGEMENT PART I

According to the National Conference of State Legislatures, 37 states have specific statutes that allow for payday lending. Other states do not have specific payday lending provisions or require lenders to comply with interest rate caps on other consumer loans. Refer to ***Payday Lending State Statutes*** https://www.ncsl.org/research/financial-services-and-commerce/payday-lending-state-statutes.aspx

Civic Action

1. **Identify the problem**. Define the problem that active civic action can resolve.

   How to define the problem:

   a. Explain the what. What is the problem?

   b. Explain the scope of the problem, who is being affected?

2. **What is the public policy resolution?**

   Does a law already exist? If so, can the existing law be modified to achieve your goals?

3. **Identify the level of government**. Which level of government has jurisdiction?

4. **Analyze the why**. Why is a public policy necessary to resolve the problem?

   a. What are the **costs and benefits** to the resolution?

   b. Who are **key stakeholders** with vested interests? What are their positions?

5. What is your **public policy action plan (outcomes)**? Is the action plan constitutional?

CIVIC ENGAGEMENT PART II: ENGLISH LANGUAGE ARTS CONNECTION

Letter Writing

Write a letter to a member of Congress stating your views on Alternative Financial Services (Predatory Lending).

Tips on writing your letter

Senators and Representatives pay attention to their mail (both regular and e-mail). It's good politics. Responding to mail is crucial to reelection. Members know your vote can be won or lost by their response. The most effective letter is a personal one, not a form letter. The letter should be short, informed and polite.

Additional tips:

1. Try to stick to one page;
2. Be polite and concise. Refrain from making threats or ultimatums.
3. In a short paragraph, state your purpose.
4. Support your position with examples (evidence) in the rest of the letter.
5. Be factual and support your position with information about how the issue is likely to affect you and others. You can use the articles we read in class or you own research on the computer. Be sure to include the sources of your information (websites, articles, etc.)
6. Ask for something to be done about the issue and suggest something reasonable to be done.

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