

Lesson #2 - Careers That Work: Loan Officer

Subject: Application of Career Specific Skills

Grade Levels: 7th Grade - 12th Grade

Standards:

6.5.7.H: Identify the effect of higher and lower interest rates.

6.5.12.H: Evaluate benefits and costs of changes in interest rates for individuals and society.

13.1.8.A: Relate careers to individual interests, abilities, and aptitudes.

13.1.8.B: Relate careers to personal interests, abilities and aptitudes.

13.1.11.A: Relate careers to individual interests, abilities, and aptitudes.

13.1.11.B: Analyze career options based on personal interests, abilities, aptitudes, achievements and goals.

15.6.12.J: Analyze the total cost of a major purchase loan agreement using fixed and variable interest rates, calculated over time.

Vocabulary

- Amortization: a period in which a debt is reduced or paid off by regular payments
- Interest: money paid regularly at a particular rate for the use of money lent
- Loan: a thing that is borrowed, especially a sum of money that is expected to be paid back with interest
- Term: Duration of a loan

Timeframe:

1 day depending on the prep time students are allowed prior to presenting

Suggested Learning Strategies:

Project Based Learning

Activities:

Students will be placed in groups of two or three and given the several tasks to complete after watching the video, *Careers That Work: Loan Officer*.

- Students will be broken into groups of two or three. Using the worksheets provided, students will review the amortization formula for monthly loan payments and choose a car to finance. Working together in their groups, students will calculate the monthly payment for the car of their choice. The students need to work together in order to not only complete the problem, but also present their findings to the class. The project will be graded using the Performance Rubric provided.

- o Distribute Handout - *Your First Car! Let's Finance*. Have students look over the worksheet and thoroughly read the directions.
 - o Discuss the Amortization Formula for Monthly Loan Payments. Make sure students understand the formula. (You may want to use one of the cars on the list to complete as a whole class activity.)
 - o Have students choose a car from the list. Using the worksheet provided, they must complete the columns for the car of their choice. Make sure the students understand that the loan officer would be presenting these options to individuals and helping him/her understand the monthly payments and long-term financial commitment.
 - o When finished, students will then prepare a brief 1 to 2 minute presentation about their car selection, how much they determined the monthly payment to be, and why this is important to consider when budgeting expenses each month.

Performance Rubric: 50 points

Students understand the tools to use for completing this specific assignment. (10 points) **Reasoning Target**

Did the students understand the problem? Did they work well together as a team? Did they use the information given to them to arrive at the expected results? (10 points) **Performance Target**

How well did students understand the financial components of the assignment? Did they solve the problem effectively and accurately? Did they feel confident with their results? And did they feel they understood the loan officer profession better? (10 points) **Performance Target**

Did each student contribute to the project? Do they have a better understanding of the responsibilities and expectations that are part of the loan officer career? (10 points) **Knowledge Target**

How well did they explain the situation and conclusions in the final presentation? Was problem solving effective and accurate? (10 points) **Product Target**

Students will discuss how loan officers offer significant benefits to our overall society and economy. Do the students Strongly Agree, or Strongly Disagree? (10 points) **Disposition Target**