

## MY CANADA: Making Purchases

A. Match the beginnings of the sentences with their endings. Then read page 21 in *My Canada* and check your answers.

1. A mortgage is...	___ with cash, cheques, and credit or debit cards.
2. Credit cards...	___ a loan from the bank.
3. You can pay for purchases and services...	___ a short-term loan that you pay back from your next pay cheque.
4. A personal bank loan is...	___ allows you to borrow money with low interest rates.
5. A line of credit...	___ collects information when you use credit.
6. A payday loan is...	___ a loan from the bank to buy a home
7. Credit means...	___ is used when banks decide whether or not to give you a loan.
8. A credit reporting agency...	___ allow you to borrow money to make purchases.
9. Your credit history...	___ you borrow money to buy something and pay it back later.

B. True (T) or false (F)?

1. Credit means you pay money back with interest.
2. Lines of credit usually have higher interest rates than payday loans or credit cards.
3. Interest rates on all bank products are the same.
4. Interest is a fee that you pay to the bank for borrowing the money.
5. Payday loans are very cheap.
6. If you do not pay the credit card bill in full before the due date, there will be very high interest.
7. When you get a line of credit, the bank will charge interest from the day you withdraw the money.
8. You can get a payday loan at payday loan companies, cheque-cashing outlets, and banks.
9. It is important to maintain good credit history.

C. Discuss with your partner.

1. What are the three questions you need to ask when you borrowing money?
2. Have you ever had a loan, a line of credit, or a mortgage?
3. What was the interest rate?
4. What happens if you miss a payment on your credit (e.g. credit card)?