



# “Deals on Wheels!” Car Loan Project

## Brief Project Overview:

In this project students will learn about budgets, car purchasing, and using credit. They will calculate monthly car payments including tax and license fees, vehicle trade-in and down payments. While this lesson is intended to educate the consumer, and thus all students, there are many career opportunities related to the field of finances. Perhaps this will get students thinking about one.

## Appropriate Subjects and Grade Levels

For high school students in the following classes:

- Economics
- Accounting
- Business Concepts
- Business Law
- Business Math
- Financial Records

## Length of Project

One 55-minute class period; Handout #3 could be continued as homework assignment

- Optional— one additional 55-minute class period for job description & role-play assignment
- Optional— one additional 55-minute class period for guest speaker, job description & role play

NOTE: The length of this project is an estimated minimum time need for completion that may easily be expanded upon. The length of time will naturally increase as the project is expanded upon by the teacher as it is adapted to meet classroom and curriculum goals.

## Teacher’s Materials Provided

- Deals on Wheels Lesson Plan
- Outcomes/Products Assessments and Standards Matrix – identifies lesson outcomes, standards addressed, and ways to measure learning; brief descriptions of corresponding student activities
- Calculating Amount to Be Financed/Borrowed— may be used as a blank overhead to demonstrate completion of student worksheet
- Calculating Amount to Be Financed/Borrowed Sample Teacher Overhead—overhead master with sample calculation already filled in
- Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan— may be used as a blank overhead to demonstrate completion of student worksheet
- Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan *Answer Key*
- Budget & Pie Chart Rubric – clarify Budget & Pie Chart assignment requirements and assessment criteria



- Budget Essay Rubric— clarify Budget Essay assignment requirements and assessment criteria
- Optional additional activity materials listed below

### **Student Materials Provided**

- Calculating Amount to Be Financed/Borrowed Student Copy—worksheet for calculating car loan amounts
- Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan—worksheet for calculating monthly car payments
- Creating a Budget—assignment instructions
- Budget and Pie Chart Rubric— clarify Budget & Pie Chart assignment requirements
- Budget Essay Rubric— clarify Budget Essay assignment requirements
- Optional follow-up activity materials listed below

### **Classroom Facilities Needed**

- Computer/printer for students
- Internet access
- Word, Excel, Publisher (optional)
- Overhead projector

### **Student Supplies Needed**

- Calculators
- Floppy disk

### **Teacher's Preparation Checklist**

- Review Outcomes/Products and Assessments Matrix, Lesson Plan, student materials and perhaps the recommended background materials
- Practice following the student's exercise directions
- Make one copy of each handout per student:
  - Calculating Amount to be Financed/Borrowed Student Copy
  - Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan
  - Creating a Budget
  - Budget and Pie Chart Rubric
  - Budget Essay Rubric
- Gather calculators and floppy disks

### **Recommended Background Materials**

- *No-Brainers on Buying a New Car* (1998) video
- *The Insiders Guide to Buying a New or Used Car* book by Burke Leon, Stephanie Leon
- *Car Secrets Revealed* book by Corey Rudl



### Optional: Follow-up Activities

- Financing Practice Problems Student Copy, Financing Practice Problems Answer Key
- Loan Agent Interview
- Create a Job Description from the interview results, Job Description for a Career in Finance Rubric
- Role play the process of obtaining a loan depicting current interest rates, what rates students could qualify for, and how a person could qualify for the lowest rate possible (using information obtained from the interview)
- Invite a guest speaker from a car dealership's finance department

## **“Deals on Wheels” Car Loan Project**

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For more information please visit: [FAB.SierraCollege.edu](http://FAB.SierraCollege.edu)



## Outcomes/Products, Assessments and Standards Matrix

### “Deals on Wheels!” Car Loan Project

Learning Outcome/Products	Assessment	Level of Bloom's Taxonomy	Standards Assessed
<p>Calculate amount to be financed/borrowed after tax and license fees, vehicle trade-in and down payment.</p>	<ul style="list-style-type: none"> <li>• Complete <u>Calculating Amount to Be Financed/Borrowed</u> worksheet.</li> <li>• Optional: Complete <u>Financing Practice Problems</u> worksheet.</li> </ul> <p>Mastery will be determined by accuracy of information. <u>Calculating Amount to Be Financed/Borrowed sample teacher overhead</u> and <u>Financing Practice Problems Answer Sheet</u> provided.</p>	<p>Knowledge</p> <p>Knowledge</p>	<p><b>Business Core</b></p> <p>1.6 Information Technology            1.6.1 Applications            1.6.10 Telecommunications            2.0 Accounting &amp; Finance            2.1.3 Cash Management            2.1.6 Ethics            2.2 Financial Analysis            2.2.1 Credit Analysis            2.2.4 Financial Responsibility</p>
<p>Calculate monthly car payment, total finance charge and total cost of loan using various rates of interest and length of loan using a calculator and Web Site Loan Calculator.</p>	<ul style="list-style-type: none"> <li>• Complete <u>Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan</u> worksheet.</li> <li>• Discuss pros and cons of different interest rates and terms of loan and the impact these have on a person's monthly budget.</li> <li>• Brainstorm as a class ways a person could qualify for lower rates of interest.</li> </ul> <p><u>Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan Answer Key</u> provided.</p>	<p>Knowledge</p> <p>Comprehension</p> <p>Evaluation</p>	<p><b>Language Arts 9/10</b>            Reading Comprehension 2.6  <b>Economics</b>            12.5.3 Interest Rates &amp; Relative Significance  <b>Business Core</b>            1.6 Information Technology            1.6.1 Applications            1.6.2 Computer Operations            1.6.5 Information Resources            1.6.7 Problem Solving            2.2 Financial Analysis            2.2.1 Credit Analysis            2.2.4 Financial Responsibility            2.2.10 Technology</p>
<p>Design a personal budget that shows monthly income and fixed and flexible expenses, as well as totals for each section. Create a pie chart to illustrate the</p>	<ul style="list-style-type: none"> <li>• Create an Excel spreadsheet budget (<u>Creating a Budget</u>) that shows monthly income and fixed and flexible expenses, as well as totals for each section. Chart the findings using a pie chart—include labels and percentages. <u>Budget and Pie Chart Rubric</u> provided.</li> </ul> <p>Scoring: A Rubric (provided) that rates the title, data accuracy and organization, readability, data</p>	<p>Analysis</p> <p>Synthesis</p>	<p><b>Language Arts 9/10</b>            Reading Comprehension 2.1, 2.6            Listening Strategies 2.3            Writing Strategies 1.8  <b>Business Core</b>            1.1 Business Communications            1.1.1 Diversity            1.1.2 Effectiveness            1.1.6 Oral Communications            1.6 Information Technology            1.6.1 Applications</p>



findings.	<p>interpretation, neatness and attractiveness.</p> <ul style="list-style-type: none"> <li>Estimate money available for a monthly car payment and calculate the highest dollar amount that could be financed/borrowed.</li> </ul>	Evaluation Analysis	1.6.2 Computer Operations 1.6.3 Document Processing 1.6.7 Problem Solving 2.2 Financial Analysis 2.2.1 Credit Analysis 2.2.4 Financial Responsibility 2.2.10 Technology
<p>Illustrate how budgets influence the choices one can make in purchasing a vehicle using credit.</p>	<ul style="list-style-type: none"> <li>Using the Internet, research two vehicles student is interested in purchasing, as well as current interest rates and loan terms.</li> <li>Write a 5-paragraph essay describing how budgets influence the choices one can make in purchasing a car using credit. Include what vehicle was chosen to purchase. One may choose to buy a car not using credit and seek an alternative choice (use money in savings account).</li> <li>Using both the budget and the information from the two vehicles and loan packages researched; build a case for the choice made.</li> </ul> <p>Scoring: <u>Budget Essay Rubric</u> provided rates the clarity of topic, feasibility of ideas, sentence structure and correct usage of grammar.</p>	Comprehension  Synthesis Analysis Evaluation  Analysis Evaluation	<b>Language Arts 9/10</b> Writing Strategies 1.1, 1.4, 1.5, 1.8 Writing Applications 2.3 Written/Oral 1.1-1.5 Reading 2.6 <b>Language Arts 11/12</b> Writing Applications 2.3 Written/Oral 1.1-1.3 <b>Economics</b> 12.1.1 Economic Concepts Need for Choices <b>Business Core</b> 1.6 Information Technologies 1.6.1 Applications 1.6.2 Computer Operations 1.6.3 Document Processing 1.6.5 Information Resources 1.6.6 Presentation 2.0 Accounting & Finance 2.1.3 Cash Management 2.2 Financial Analysis 2.2.1 Credit Analysis 2.2.4 Financial Responsibility 2.2.10 Technology
<p>Optional: Identify the requirements for becoming a Loan Officer/ Agent.</p>	<ul style="list-style-type: none"> <li>Interview a Loan Agent using the <u>Loan Agent Interview</u> handout. Students should be prepared to share their findings with the class.</li> <li>Create a job description for the position of a Loan Officer/Agent. <u>Loan Officer Job description Rubric</u> provided.</li> </ul> <p>Scoring: Interview sheet is completely filled out. A Rubric (provided) for the Job description includes ratings for complete information, "realness," neatness, spelling and grammar.</p>	Knowledge  Application Synthesis	<b>Language Arts 9/10</b> Writing 1.3, 1.8, 2.3 Language Conventions 1.2, 1.3, 1.4 <b>Business Core</b> 1.1 Business Communications 1.1.1 Diversity 1.1.2 Effectiveness 1.1.6 Oral Communications



<p>Optional: Identify and demonstrate the steps of obtaining a vehicle loan and qualifiers for the lowest rates possible.</p>	<ul style="list-style-type: none"> <li>• Interview a Loan Agent of choice to find out the steps in obtaining a vehicle loan. <u>Loan Agent Interview</u> handout provided.</li> <li>• In small groups, write a script for a role-play that illustrates the steps in obtaining a vehicle loan, current interest rates, what interest rates one could currently qualify for, and how a person could qualify for the lowest rate possible.</li> <li>• Present the role-play to the class.</li> </ul> <p>Scoring: Interview sheet is completely filled out. Mastery for the Role Play Presentation will be determined by depiction of situation and credibility of facts.</p>	<p>Knowledge</p> <p>Comprehension</p> <p>Application</p>	<p><b>Language Arts 9/10</b> Listening Strategies 1.8, 1.9, 2.3 <b>Language Arts 11/12</b> Writing Strategies 1.1, 1.2, 1.5, 1.6 Writing Applications 2.1, 2.3 <b>Economics</b> 12.5.3 <b>Business Core</b> 1.1 Business Communications 1.1.1 Diversity 1.1.2 Effectiveness 1.1.4 Methods of Communication 1.1.5 Nonverbal Communication 1.1.6 Oral Communication 1.5 Employability Skills 1.5.5 Positive Attitude 1.5.6 Teamwork</p>
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## Lesson Plan

### “Deals on Wheels!” Car Loan Project

#### A. Introduction: (About 5 minutes)

##### **Address Students:**

*How many of you own your own car? First car or second car? Is this the car of your dreams? Whether or not you own your own car, think for a minute, “What is your dream car?” Close your eyes and picture yourself getting into the driver’s seat of your ideal car, putting the key in the ignition, starting the car and driving down the street. But how can you afford the car of your dreams? How do you go about getting this car? Job? Win the lottery? Mom and Dad give you the money? Take out a loan? Well, how much will that cost you??? Do you have good credit? How do you get credit? And once you get this car, how do you support it? These are all questions that we will be examining in this lesson.*

#### B. Body:

##### Topic Outline (About 5 minutes)

##### **Address Students:**

*People borrow money or use credit to purchase something in the present that will be paid for with future income. Borrowing increases the ability to purchase the things people want now, like a new car! A person who is considered “credit worthy” is one who is trusted to borrow only what he or she can repay. Before a person can make a big decision like buying and financing a new car, they must first analyze their monthly income and expenses to figure out how much they can actually afford per month or explore the option of buying the vehicle “outright” without financing (using savings). The concept that “there is no such thing as a free lunch” means that there is a cost to every decision, whether monetary or intrinsic. Good decisions require a clear understanding of alternatives. Students must learn to make choices among alternatives in order to use their income or resources wisely.*

*In this lesson you will learn:*

- *How to calculate monthly car payments using different rates of interest.*
- *How to calculate the maximum amount that can be financed/borrowed given a preset estimated/budgeted monthly payment.*
- *How limited resources cause people to make choices.*

#### Teacher Activities (About 10 minutes)

1. Demonstrate how to figure the total vehicle cost including tax and license fees, trade-in value, and down payment. Use Handout #1—Calculating Amount to be Financed/Borrowed Sample Teacher Overhead (*students should have student copy*).
2. Discuss how the total amount to be financed (total cost of vehicle), different rates of interest, and length of car loan determine your monthly car payments. Include in the discussion the fact that students need to *first* determine how much they can afford per month towards a car as dictated by their monthly budget (income minus existing expenses).



3. Demonstrate how to use a Loan Calculator on the Internet ([www.bankrate.com](http://www.bankrate.com)) to calculate monthly car payments using various rates of interest and terms of loan.

### **Student Activities** (About 30 minutes)

1. Have students complete Handout #2—Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan using regular calculators and a Loan Calculator from [www.bankrate.com](http://www.bankrate.com).
2. Go over results as a class. (Show Handout #2—Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan **Answer Key** on overhead for students to quick-check answers) Clear up any questions.
3. Discuss pros and cons of different interest rates and terms of loan and the impact these have on a person's monthly budget. Brainstorm ways a person could qualify for lower rates of interest.
4. Have students complete *Handout #3—Creating a Budget*. In this exercise students will 1) research two vehicles they would like to purchase; 2) calculate the monthly payment, total finance charge and total cost of loan for each of the vehicles; 3) create a spreadsheet in Excel that shows their total monthly income and fixed and flexible expenses; 4) chart their findings in a pie chart, including labels and percentages; 5) estimate what they could pay per month and calculate the highest dollar amount they could finance/borrow for the vehicles they have researched; 6) analyze their findings and write a 5-paragraph essay about: what vehicle they can afford to buy and why; which loan would they would take and why; which features make this loan more appealing than the others.

### **C. Closure:** (About 5 minutes)

#### **Address Students:**

*It is very important to make sure that you can afford your monthly car payment along with your living expenses and other expected expenses such as registration, insurance, maintenance and gas. Don't forget to allow a buffer for unexpected expenses too.*

*Good credit habits begin early. Repaying loans and returning borrowed items in good condition establish lifelong patterns of responsibility. Don't borrow what you can't repay - Be a responsible borrower who repays as promised, showing you are worthy of getting credit in the future. Before you borrow, compare your total payment obligations with income that you will have available to make these payments.*

*Compare interest rates - Obtain rate information from multiple financial services firms to get the best value for your money.*

*The concept that "there is no such thing as a free lunch" means that there is a cost to every decision, whether monetary or intrinsic. Good decisions require a clear understanding of alternatives. Students must learn to make choices among alternatives in order to use their income or resources wisely.*

*Are you able to buy your dream car? You should now have a better idea about financing and how interest rates and the length of a loan help in determining which car you can afford to buy within a set monthly payment amount.*

*Have fun in the driver's seat, whatever you are driving, but...drive safely!*



*Find out more about credit, buying on credit, and how credit affects you and applies to the business world around you by enrolling in a business class at your high school or taking a class at your local community college.*

***Additional Teacher Comments:***

*We have just completed a project that has provided a little exposure to the world of finance and business. Why did we do this? Because most adults work in the business environment and the most popular college major is business. This project was designed to expose you to business topics and concepts in preparation for your future. There are many advantages to further exploring finance and business now while in high school. Here are some of them:*

- *To find out if you like the subject before committing to a career path.*
- *To gain skills to get a part-time or summer job.*
- *To prepare for a career after high school or to put yourself through college.*
- *To strengthen your college applications.*
- *To begin earning college credits while in high school.*

*Here's how you may explore more about finance and business:*

- *Develop an educational plan with your counselor.*
- *Make the most of block or trimester scheduling and take business electives.*
- *Participate in ROP classes and/or internships.*
- *Take required classes in summer school to allow for more electives during the school year.*
- *Join business-related clubs or activities on campus.*
- *Investigate opportunities in your community, such as Junior Achievement, Scouting, or volunteer work.*
- *Attend community college night or summer classes.*



## Calculating Amount to Be Financed/Borrowed

### “Deals on Wheels!” Car Loan Project

Student Worksheet

#### Example 1

Vehicle Make/Model \_\_\_\_\_

1. Price of Vehicle	\$ _____
2. Tax (8% of price)	+ _____
3. License (2% of price)	+ _____
4. Vehicle Total Cost	= _____
5. Vehicle Trade-in Value	- _____
6. Down Payment	- _____
7. <b>Total Amount to Be Financed/Borrowed</b>	<b>= \$ _____</b>

#### Example 2

Vehicle Make/Model \_\_\_\_\_

1. Price of Vehicle	\$ _____
2. Tax (8% of price)	+ _____
3. License (2% of price)	+ _____
4. Vehicle Total Cost	= _____
5. Vehicle Trade-in Value	- _____
6. Down Payment	- _____
7. <b>Total Amount to Be Financed/Borrowed</b>	<b>= \$ _____</b>



## Calculating Amount to be Financed/Borrowed

### “Deals on Wheels!” Car Loan Project

*Sample Teacher Overhead*

#### Example 1

Vehicle Make/Model	2004 Chevy Corvette
1. Price of vehicle	\$ <u>52,500</u>
2. Tax (8% of price)	+ <u>4,200</u>
3. License (2% of price)	+ <u>1,050</u>
4. Vehicle Total Cost	= <u>57,750</u>
5. Vehicle Trade-in Value	- <u>0</u>
6. Down Payment	- <u>20,000</u>
7. <b>Amount to be Financed/Borrowed</b>	<b>= \$ <u>37,750</u></b>

#### Example 2

Vehicle Make/Model	
1. Price of Vehicle	\$ _____
2. Tax (8% of price)	+ _____
3. License (2% of price)	+ _____
4. Vehicle Total Cost	= _____
5. Vehicle Trade-in Value	- _____
6. Down Payment	- _____
7. <b>Total Amount to be Financed/Borrowed</b>	<b>= \$ _____</b>



## Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan

### “Deals on Wheels!” Car Loan Project

#### Student Worksheet

- Calculate the monthly payments, total finance charges, and total cost of loan for each rate of interest and length of loan.
- Use the Internet to locate a *Loan Calculator* at [www.bankrate.com](http://www.bankrate.com) (the loan calculator will not calculate at 0%--use a regular calculator).
- Fill in your answers in the chart below.

**Amount to be financed \$10,000**

APR	Length of Loan	Amount of Monthly Payment	Total Finance Charge	Total Cost of Loan
0%	36 months			
	48 months			
	60 months			
5%	36 months			
	48 months			
	60 months			
7%	36 months			
	48 months			
	60 months			



## Calculating Amount of Monthly Payment, Total Finance Charge and Total Cost of Loan

### “Deals on Wheels!” Car Loan Project

#### Answer Key

- Calculate the monthly payments, total finance charges, and total cost of loan for each rate of interest and length of loan.
- Use the Internet to locate a *Loan Calculator* at [www.bankrate.com](http://www.bankrate.com) (the loan calculator will not calculate at 0%--use a regular calculator).
- Fill in your answers in the chart below.

**Amount to be financed \$10,000**

APR	Length of Loan	Amount of Monthly Payment	Total Finance Charge	Total Cost of Loan
0%	36 months	\$277.78	\$0	\$10,000
	48 months	\$208.33	\$0	\$10,000
	60 months	\$166.67	\$0	\$10,000
5%	36 months	\$299.71	\$789.56	\$10,789.56
	48 months	\$230.29	\$1,053.92	\$11,053.92
	60 months	\$188.71	\$1,322.60	\$11,322.60
7%	36 months	\$308.77	\$1,115.72	\$11,115.72
	48 months	\$239.46	\$1,494.08	\$11,494.08
	60 months	\$198.01	\$1,880.60	\$11,880.60



## Creating A Budget

### “Deals on Wheels!” Car Loan Project

*Student Instructions*

- Gather pricing information on two cars you may want to buy. Research interest rates you would qualify for and length of the loan desired. You may want to use the sites below for research:

<http://www.autotrader.com>

<http://www.edmunds.com>

<http://www.bankrate.com>

<http://www.bankofamerica.com>

- Calculate the monthly payment, total finance charge and total cost of loan for each of the two vehicles.
- Create a spreadsheet in Excel that shows your monthly income and fixed and flexible expenses. Total your monthly income and expenses.
- Chart your findings in a pie chart—include labels and percentages.
- Estimate what you could pay per month for a monthly car payment depending on your budget results and calculate the highest dollar amount you could finance/borrow for the two vehicles you have researched.
- When you have finished, analyze your findings. Write a 5-paragraph essay about what vehicle you can afford to buy and at what price. Which loan would you take and why? What features make this loan more appealing than the others? Include in your essay how your new car payment impacts your monthly budget and how limited resources cause people to make choices.



## Financing Practice Problems

### “Deals on Wheels!” Car Loan Project

#### Student Worksheet

**Show work where applicable.**

**Use Loan Calculator to calculate monthly payments ([www.bankrate.com](http://www.bankrate.com)).**

1. Tara Reid, a mother of three, would like to trade-in her old Honda Civic in order to purchase a Honda Accord. The Manufacturer’s Suggested Retail Price (MSRP) on the Accord is \$18,675. Tara would also like to purchase an upgraded CD player from the dealership for \$800. The dealership will also pay \$1,200 for Tara’s trade-in. Tara has good credit, so the Finance Department can offer her a 5% financing rate on a 4-year term. Tara’s take-home pay is \$30,000 a year. Her monthly expenses are about \$2,500 a month. Can Tara afford this car?

→Calculate the total cost of the vehicle (include tax and license).

→Calculate Tara’s monthly payment.

2. Faith Hill has recognized that the Chevrolet Corvette Convertible is the car for her. The total cost of the vehicle is \$65,125—it is really loaded! Faith is able to put a \$10,000 down payment towards the total purchase price. The dealership will also pay Faith \$3,000 for her old vehicle. The financing rate offered is 7% over 5 years. Faith’s take-home pay is \$50,000 a year. Her monthly expenses are about \$3,000 a month. Can Faith afford this car?

→Calculate the total cost of the vehicle (include tax and license).

→Calculate Faith’s monthly payment.

3. Ben Affleck would like to purchase a Chevrolet Trail Blazer 4WD. The price of the car is listed at \$28,350. The Finance Department has a limited offer financing rate of 0% for a 3-year term. Ben is able to take advantage of this because he has excellent credit. Ben has no down payment or vehicle trade-in. Ben’s take-home pay is \$10,000 a month. His monthly expenses are about \$5,000 a month. Can Ben afford this car?

→Calculate the total cost of the vehicle (include tax and license).

→Calculate Ben’s monthly payment.



## Financing Practice Problems

### “Deals on Wheels!” Car Loan Project

#### *Answer Key*

**Show work where applicable.**

**Use Loan Calculator to calculate monthly payments ([www.bankrate.com](http://www.bankrate.com)).**

1. Tara Reid, a mother of three, would like to trade-in her old Honda Civic in order to purchase a Honda Accord. The Manufacturer’s Suggested Retail Price (MSRP) on the Accord is \$18,675. Tara would also like to purchase an upgraded CD player from the dealership for \$800. The dealership will also pay \$1,200 for Tara’s trade-in. Tara has good credit, so the Finance Department can offer her a 5% financing rate on a 4-year term. Tara’s take-home pay is \$30,000 a year. Her monthly expenses are about \$2,500 a month. Can Tara afford this car?

→Calculate the total cost of the vehicle (include tax and license). **\$21,422.50**

→Calculate Tara’s monthly payment. **\$465.72 per month**

2. Faith Hill has recognized that the Chevrolet Corvette Convertible is the car for her. The total cost of the vehicle is \$65,125—it is really loaded! Faith is able to put a \$10,000 down payment towards the total purchase price. The dealership will also pay Faith \$3,000 for her old vehicle. The financing rate offered is 7% over 5 years. Faith’s take-home pay is \$50,000 a year. Her monthly expenses are about \$3,000 a month. Can Faith afford this car?

→Calculate the total cost of the vehicle (include tax and license). **\$71,637.50**

→Calculate Faith’s monthly payment. **\$1,161.14 per month**

3. Ben Affleck would like to purchase a Chevrolet Trail Blazer 4WD. The price of the car is listed at \$28,350. The Finance Department has a limited offer financing rate of 0% for a 3-year term. Ben is able to take advantage of this because he has excellent credit. Ben has no down payment or vehicle trade-in. Ben’s take-home pay is \$10,000 a month. His monthly expenses are about \$5,000 a month. Can Ben afford this car?

→Calculate the total cost of the vehicle (include tax and license). **\$31,185.00**

→Calculate Ben’s monthly payment. **\$866.25 per month**



# Loan Agent Interview

## “Deals on Wheels!” Car Loan Project

### Student Worksheet

Interview a Loan Agent of your choice to gain more insight on the steps of obtaining a car loan, current interest rates, what interest rates you would qualify for, and career information of a Loan Agent. Be prepared to share your findings with the class.

**Student Name** \_\_\_\_\_ **Name of Loan Agent** \_\_\_\_\_

**Date** \_\_\_\_\_ **Financial Institution** \_\_\_\_\_

#### **Questions:**

- 1) What are your primary tasks?
- 2) What would you say is your most challenging task? Why?
- 3) What would you say is your most rewarding task? Why?
- 4) What are two skills that you recommend people have to become a Loan Agent?
- 5) What is your advice for someone who would like to become a Loan Agent?
- 6) For someone my age, what would be the steps to qualify for a car loan?
- 7) What are the current interest rates (a range is fine)?
- 8) What is the best loan package I could receive from your financial institution?
- 9) How could I qualify for a lower interest rate?
- 10) Is there a web address that you would recommend to educate students about financing a car, current interest rates, or general financial information?



## Budget & Pie Chart Rubric

### “Deals on Wheels!” Car Loan Project

Student Name: \_\_\_\_\_

CATEGORY	4	3	2	1	Total Points
<b><i>Title, Column Headings, Totals</i></b>	Title, Column Headings, Totals are creative and clearly relate to the spreadsheet and chart. They are appropriately placed on the spreadsheet.	Title, Column Headings, Totals clearly relate to the spreadsheet and chart. They are appropriately placed on the spreadsheet.	Title, Column Headings and Totals are present.	Title, Column Headings and Totals are not present.	
<b><i>Data Table</i></b>	Data in the spreadsheet is complete, well organized, accurate, and easy to read.	Data in the spreadsheet is mostly complete, organized, accurate, and easy to read.	Data in the spreadsheet is partially complete, accurate and easy to read.	Data in the spreadsheet is not complete or accurate and/or cannot be read.	
<b><i>Type of Graph Chosen</i></b>	Chart fits the data well and makes it easy to interpret.	Chart is adequate and does not distort the data, but interpretation of the data is somewhat difficult.	Chart distorts the data somewhat and interpretation of the data is somewhat difficult.	Chart seriously distorts the data making interpretation almost impossible.	
<b><i>Neatness and Attractiveness</i></b>	Exceptionally well designed, neat, and attractive. Colors that go well together are used to make the chart more readable.	Neat and relatively attractive. A variety of colors are used.	Chart is neat but appears quite plain with little color distinction.	Chart is hard to read with no color distinction.	
<b><i>Total Points</i></b>					
<b><i>Comments:</i></b>					

Rated By: \_\_\_\_\_



## Budget Essay Rubric

### “Deals on Wheels!” Car Loan Project

Student Name: \_\_\_\_\_

CATEGORY	4	3	2	1	Total Points
<b>Focus on Topic (Content)</b>	There is one clear, well-focused topic. Main idea stands out and is supported by detailed information.	Main idea is clear, but the supporting information is general.	Main idea is somewhat clear, but there is a need for more supporting information.	The main idea is not clear. There is a seemingly random collection of information.	
<b>Support for Topic (Content)</b>	Relevant, telling, quality details give the reader important information that goes beyond the obvious or predictable.	Supporting details and information are relevant, but one key issue or portion of the storyline is unsupported.	Supporting details and information are relevant, but several key issues or portions of the storyline are unsupported.	Supporting details and information are typically unclear or not related to the topic.	
<b>Sequencing (Organization)</b>	Details are placed in a logical order and the way they are presented effectively keeps the interest of the reader.	Details are placed in a logical order, but the way in which they are presented/ introduced sometimes makes the writing less interesting.	Some details are not in a logical or expected order, and this distracts the reader.	Many details are not in a logical or expected order. There is little sense that the writing is organized.	
<b>Grammar, Spelling, Capitalization &amp; Punctuation (Conventions)</b>	Writer makes no errors. The paper is exceptionally easy to read.	Writer makes minor errors that do not distract the reader from the content. The paper is still easy to read.	Writer makes several errors that distract the reader from the content and interrupt the flow of the paper.	Writer makes many errors that distract the reader from the content and greatly interrupt the flow of the paper.	
<b>Total Points</b>					
<b>Comments:</b>					

Rated By: \_\_\_\_\_



## Job Description for a Career in Finance Rubric “Deals on Wheels!” Car Loan Project

Student Name: \_\_\_\_\_

<b>CATEGORY</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>Total Points</b>
<b>Requirements</b>	All of the required content was present.	Almost all of the required content was present.	Some of the required content was present.	Little of the required content was present.	
<b>Informative</b>	Contains many facts, figures, and/or word choices that make the job description exceptionally interesting and informative to read.	Contains some facts, figures, and/or word choices that make the job description interesting and informative to read.	Contains few facts or figures pertaining to the job but is marginally interesting and informative to read.	Does not contain facts or figures that might make the job description interesting or informative to read.	
<b>Grammar, Spelling, Capitalization &amp; Punctuation (Conventions)</b>	Writer makes no errors. The paper is exceptionally easy to read.	Writer makes minor errors which do not distract the reader from the content. The paper is still easy to read.	Writer makes several errors that distract the reader from the content and interrupt the flow of the paper.	Writer makes many errors that distract the reader from the content and greatly interrupt the flow of the paper.	
<b>Total Points</b>					
<b>Comments:</b>					

Rated By: \_\_\_\_\_