

FINANCIAL FITNESS: **LEVEL UP**

A NEED TO BORROW: GLOSSARY

Annual Percentage Rate (APR)	The percentage cost of credit on an annual basis. You will see it advertised for any form of borrowing.
Budget	A way of planning for the money you have coming in and going out.
Credit card	A plastic card providing revolving credit up to a certain limit. It is used as a method of payment.
Credit score	A rating given to you based upon your financial history. Financial institutions use them when assessing who they should give credit to.
Credit union	Non-profit making organisations set up to provide saving and borrowing facilities to local communities.
Debt	Money that you owe.
Hire purchase	A form of credit used to buy relatively large goods. You pay back the cost over an agreed time period.
Mortgage	A financial product that enables many people to borrow the money needed to buy their own home.
Overdraft	A borrowing facility on your current account that allows you to spend more than you have in the account.
Payday loan	A very short term form of borrowing with very high interest rates and penalties for missed payments.
Store card	A plastic card that provides credit on purchases in particular stores up to a certain amount. It is used as a method of payment only in the stores it is linked to.
Reward cards (also Loyalty cards)	A card which encourages shopping at one particular store or outlet by rewarding the consumer with points they can accumulate and spend in store instead of cash or discounted products.