

## LifeSmarts U - Financing Post-Secondary Education

### Day 4 - Loans

#### Lesson Description:

"Understanding Student Loans: Borrowing Responsibly" focuses on educating students about student loans as a critical, yet complex, component of financing post-secondary education. The lesson starts with a vocabulary list and a slide deck introducing key terms like Federal Direct Loans (Subsidized and Unsubsidized), PLUS Loans, and Private Student Loans. We emphasize the importance of being a responsible borrower, understanding different repayment options, and the consequences of loan delinquency and default. The main activity involves analyzing a sample Promissory Note, helping students understand the commitments and scenarios associated with loan agreements.

#### Lesson Objective:

By the end of this lesson, students will have a thorough understanding of different types of student loans and the implications of borrowing. They will learn to distinguish between federal and private loans, and the terms and conditions associated with each. Students will be equipped with the knowledge to make informed decisions about borrowing and managing student loans, understanding the long-term impact of these decisions on their financial future. The lesson aims to cultivate responsible borrowing habits and awareness of the resources available for managing student loan debt.

**Time:** 1 Class Period (45-60 min)

#### Materials:

- Vocabulary List (***Can be shown on overhead or printed***)
- Presentation w/ Speaker Notes (***Available in Powerpoint and Google Slides formats***)
- Handout - Sample Promissory Note (***Can be shown on overhead or printed***)
- Activity - Promissory Note Scenarios (***Print Worksheet***)
- Exit Ticket/Reflection - Survey Reflection (***Print Worksheet***)
- Toolbox Link - Student Loan Calculators (***Optional to Visit***)

#### Procedures:

1. Review vocabulary list on overhead or printed handouts.
2. Review Powerpoint/Google Slides presentation using the presentation notes to introduce basic vocabulary and concepts related to student loans.
3. Review handout "Sample Promissory Note."
4. Distribute the Activity Worksheet "Promissory Note Scenarios" and help guide students through the scenarios. Review answers using the answer key.
5. Distribute the Exit Tickets (half sheet) to each student. Read linked article and respond.
6. Review additional resources such as the loan calculators and sample promissory note, if time allows.