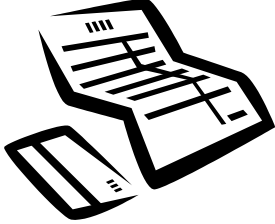




## Controlling Interest You Pay (Key)

Most people are going to pay interest to buy some of the expensive items they want and need. Reducing the amount of interest you pay can increase your spendable income. Using the pictures as a hint, list three ways that you can reduce the amount of interest you pay.

	<ul style="list-style-type: none"> <li>• Consider the length of the loan for installment credit.</li> <li>• The shorter the loan period, the less interest you pay; if you can manage a larger payment in your budget, go for fewer years.</li> <li>• On credit cards, you can reduce the length of your loan by paying more than the minimum payment, which reduces the amount of interest you will pay.</li> </ul>
	<ul style="list-style-type: none"> <li>• Shop around for the lowest rate of interest.</li> <li>• The larger the percentage, the more it will cost you, so you want to find the lowest interest rate possible for the long term. Do not be taken in by low introductory rates that increase.</li> <li>• Make sure you read the fine print on your credit applications.</li> </ul>
	<ul style="list-style-type: none"> <li>• Make sure your credit history is A+.</li> <li>• Lenders will offer lower interest rates to people who have higher credit scores. You can improve your credit score by making payments on time.</li> <li>• Avoid applying for too many credit cards. Use credit cards for emergencies only, and pay your balance off as quickly as possible.</li> </ul>