

BUILDING BLOCKS STUDENT WORKSHEET

Cosigning loans and sharing credit

Not everyone qualifies for credit on their own. This is especially true for young people who do not have a credit history.

If the lender believes you may not be able to make the minimum required payments on the account, they may require someone to cosign your account, or you may need to be added as an authorized user on someone's credit card account.

Instructions

- 1 Choose someone in your group to read a scenario aloud.
- 2 Work with your group to research information online about the arrangement in your scenario. Review the information on the website(s) suggested in your scenario.
- 3 Based on the information you gather, fill out the table below. Try to find at least one benefit and one risk.
- 4 Share your group's scenario and benefits and risks list with the class.
- 5 Answer the reflection questions on your own.

Benefits and risks list

Benefits	Risks
1.	1.
2.	2.
3.	3.



Reflection questions

1. Would you ask someone to share a credit card with you or cosign a loan for you? Why or why not?

2. If someone asked to share a credit card with you or cosign a loan for them, would you do that? Why or why not?