



Lesson 9—Assessment 2

Quiz

Directions: Match the following terms to the correct definition:

1. ____ Finance charge	A. Unpaid balance on a loan
2. ____ Revolving credit	B. The percentage charged for a loan
3. ____ Peer-to-peer lending	C. Borrowing of funds with a fixed payment and schedule for a specified time
4. ____ Principal	D. Lending money through online services by matching borrowers with investors
5. ____ Installment credit	E. A fee charged for the use of credit
6. ____ Interest rate	F. Access to a capped limit of funds that may be used repeatedly after partial or total repayments have been made

Select the correct answer below.

7. Increase/ Decrease What happens to the total finance charge as a loan term lengthens?
8. Increase/ Decrease What happens to the monthly payment as a loan term lengthens?
9. Increase/ Decrease What is the effect of a higher APR on a monthly payment?

Write a short response to the following question:

10. What is the difference between an auto title loan and a payday loan?