

LESSON 1

UNDERSTANDING PERSONAL FINANCE AND CONSUMER CREDIT – PART 1

GRASP

[gra:sp]

to understand a difficult or complex subject or situation

A.T.M./CASH DISPENSER

[ei ti: 'em / kæʃ di'spensə]

“automatic teller machine” or cash machine from which you can withdraw money with your bank card

MORTGAGE

['mɔ:ɡɪdʒ]

money in the form of a loan taken from the bank to purchase a house or flat

COLLATERAL

[kə'lætərə]

something of value (property cars, stocks, bonds, etc.) which the bank often requires to guarantee repayment

EQUITY

['ekwəti]

the portion of the value of your house you own for cash

SECOND MORTGAGE

['sekənd 'mɔ:ɡɪdʒ]

a loan you take when you borrow money, using the equity in your house as collateral

DOWNPAYMENT

[daʊn'peɪmənt]

the portion (usually a percentage) of the selling price of a house or car which the bank requires in cash

CO-SIGNER/ GUARANTOR

[kəʊ'saɪnə / gæərən'tɔ:]

a person with a well established credit history who is required to guarantee repayment of a loan taken by someone borrowing money for the first time

CREDITOR

['kredɪtə]

the financial institution or individual who has lent you money

IDIOM 14

TO KEEP ON TOP OF SOMETHING

To try to fully understand and be in control of an important aspect of our lives, which might routinely prove quite challenging or difficult.

WHAT DOES IT MEAN TO KEEP ON TOP OF SOMETHING?

To try to fully understand and be in control of...

USE THIS IDIOM IN A SENTENCE.

Mr. Johnson tried to keep on top of the personnel situation at the factory but some of his workers were extremely unreliable so he often had to call for temporary help.

UNDERSTANDING PERSONAL FINANCE AND CONSUMER CREDIT

Few things can be as confusing to the individual as personal finance and consumer credit terminology. We all try to keep on top of our own finances and consumer credit issues, but sometimes the complexity of it all proves overwhelming.

Let us now attempt to explain in simple, easy to understand terms, some of the meanings behind the complex vocabulary so that we may quickly grasp the most important concepts.

A mortgage is a long-term loan taken from a bank used to buy properties such as a house or flat. **A second mortgage** is the money taken when we borrow against the equity in our house

WHAT IS A MORTGAGE?

A mortgage is a long-term loan taken from a bank used to buy properties such as a house or flat.

USE THE WORD MORTGAGE IN A SENTENCE.

I wanted to apply for a mortgage, but was disappointed to find that my bank's interest rates were so high.
