

ANSWERS

1. **Fixed Rate (Loan)**, Loan that has a set interest rate over a specific period of time.
2. **Interest Capitalization**, When unpaid interest is added to the principal amount of your student loan.
3. **Variable Rate (Loan)**, Loan which has an interest rate that changes depending on current national rates.
4. **ACH**, Processes electronic payments and transfers across the United States.
5. **Credit Score**, A three-digit number used by lenders to examine the risk of extending credit to someone.
6. **Student Loan Servicer**, A company that collects payments on student loans.
7. **Bank**, institution where people can have checking & savings accounts and take out loans
8. **Certificate of Deposit**, Alternative to a savings account that allows someone to earn high interest for a fixed time period by not withdrawing the money.
9. **SCU**, one of the top performing credit unions in the U.S.
10. **Minimum Balance**, The smallest amount of money a person has to have in their account to keep it open or receive interest.
11. **Checking Account**, account to deposit and withdraw from
12. **Principal**, The original amount agreed upon for a loan
13. **APR**, Interest rate and any fees to pay yearly combined
14. **Savings Account**, Alternative to a savings account that allows someone to earn high interest for a fixed time period by not withdrawing the money.
15. **APY**, Rate of which you can earn on your account plus compound interest over a year.
16. **Overdraft**, When a bank allows a customer to overdraw their account by paying a fee or interest.
17. **Credit Union**, not for profit member-owned cooperative
18. **Maturity**, The date when an investment ends causing someone to repay their loan.
19. **Compound Interest**, Calculated by adding the initial amount of an investment or loan plus interest already accumulated.