



Extra resources for facilitators

Hand-outs to use with Jamie's story



Instructions

Printer settings: Formatted for double sided printing. Assuming printer is set for double-sided printing by default, print sheets as necessary.



Extra resources for facilitators

Is It Legal?

Are YOU LOANSHARK-PROOF?
Here are 10 “facts” about borrowing money:

Are they true or false?

	True	False
1. Anyone can lend money so long as they tell you how much you owe and when to pay it back		
2. If you don't have any paperwork for a loan then it's illegal		
3. Payday lenders are loan sharks		
4. Loan sharks can take you to court for money you owe them		
5. Loan sharks are mostly men		
6. Lenders legally can't change the amount you owe or APR without telling you first		
7. If you borrow from a loan shark you are breaking the law		
8. There is nothing you can do to report a loan shark once you borrow from them, until you've paid them back		
9. Loan sharks are your only option if you have a poor credit history		
10. Payday lenders, doorstep lenders and loan sharks all have about the same interest rate		



Resource developed by Made of Money, a project of **Quaker Social Action**, for **Skint!**.
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This version of **Skint!** is funded by **Standard Life Charitable Trust** & delivered by **Quaker Social Action & Groundwork UK**.
Permission to use the illustrations, in an educational context only, is given by the graphic novel illustrators **Metaphrog**.



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Is It Legal?

How did you do?

1-4:

Watch out you don't get caught out - check everything out before agreeing to borrow. You don't want to be a victim of a shark attack!

5-7:

Not bad - you know your borrowing options, but make sure you check any small print and don't be tempted by what seems too good to be true.

8-10:

Well done - you're a savvy borrower. You shouldn't get caught out by a loan shark, but be sure to stay alert if you decide to borrow money.



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Is It Legal?

Are YOU LOANSHARK-PROOF?

ANSWERS

	True	False
1. NO, only people with a licence from the Financial Conduct Authority (FCA) can lend. If you don't have a licence, you are lending illegally.		X
2. YES, usually you would be provided with a credit agreement from a lender, which sets out your terms and conditions. One sign that someone is a loan shark is a lack of this paperwork. If they won't offer it to you, avoid the loan!	X	
3. NO, payday lenders may seem very expensive but they have licences from the FCA so they are allowed to charge interest. They can charge whatever they want as there is currently no cap on APR in the UK. People may call them loan sharks but they're legal.		X
4. NO, because they're operating illegally they have no way of legally getting the money back from you (e.g. going to court).		X
5. NO, in fact they can be women and of any age. The old stereotypes are not accurate, so don't make assumptions!		X
6. YES, this is all part of your credit agreement. If you don't have a credit agreement, or the lender changes the amount you owe or the interest repayments without you being notified, they are probably a loan shark.	X	
7. NO, they are breaking the law and you are a victim. Report them to stop other people also getting stung. You won't be prosecuted.		X
8. NO, you should report them as soon as possible. See the facilitator notes for how.		X
9. NO, you always have legal options even if it means a high APR. You could try borrowing from your local credit union if your credit history is poor.		X
10. NO, interest rates vary hugely between lenders. Shop around just like you would anything else. And don't borrow if they won't tell you the APR. It's likely to be a loan shark.		X



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Making Ends Meet?

Use the following columns to fill in different parts of your budget. Then on the next page copy all the information into one sheet to see how it all fits together. Do your totals either **WEEKLY** or **MONTHLY** but don't mix the two.


Coming in	
Wages	
Benefits	
Student loan	
Other:	
Total	

A. Bills	
Rent	
Council Tax	
Gas	
Electric	
Phone	
TV licence	
Water	
Total	

B. Other stuff	
Food	
Going out	
Travel	
Total	

C. Debts	
Loan	
Credit card	
Total	

D. Less regular stuff (monthly, yearly, one offs)	
Parties/presents	
Christmas	
haircuts	
Clothes	
Insurance	
Furniture	
Total	


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Making Ends Meet?

Remember to make sure that **ALL** your totals are either **WEEKLY** or **MONTHLY**. Don't mix the two.

If you are making a weekly plan, but have monthly amounts for your income or expenditure, you can change them to weekly amounts: Multiply (x) the **monthly amount** by **12**. This gives you the yearly amount. Divide (÷) this by **52** which gives you the **weekly** amount.

If you decide you want to do a monthly plan, but have some figures weekly: Multiply (x) your **weekly figure** by **52** to get a yearly figure. Divide (÷) by **12** to give you your **monthly** amount.

	Total Per
Coming in	
A. Bills	
B. Other stuff	
C. Debts	
D. Less regular stuff	
Going out (A + B + C + D)	
Coming in - going out Leaves you	



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What Should Jamie Do?

Setting some Goals

	Jamie	Me?
My ultimate Goal is...	<i>Own my own garage</i>	
Other things I'd like to do...	<i>Go out with Kelli</i>	
	<i>Have a bit of money to go out with</i>	
	<i>Not go back to prison</i>	
Three things I need to do to start getting there...	<i>See if I can put some money aside</i>	
	<i>Research training or apprenticeships</i>	
	<i>Get a part time job</i>	
Things I'm NOT going to do...	<i>Do work for Dave!</i>	
This week to make a start I'm going to...	<i>Get Aunty May to help me with a budget and get a list of free access courses</i>	

Are there people you can share this with who will help you on the way and keep you on track (like Jamie's Aunty May)?



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Jamie's weekly budget

Now Jamie is working in the pub he has sat down with Auntie May and worked out a budget. He has more money coming in than when he was unemployed but not that much more! Luckily he has no debts to pay off.

Money coming in		£
Employment	Wages	78.00
Benefits	Housing benefit & council tax reduction (as at July 2013)	57.99
<i>Total</i>		135.99
Money going out		
Bills	Rent/mortgage	63.50
	Council tax(as at July 2013)	6.28
	Electricity/gas	5.00
	Water(as at July 2013)	3.09
	TV licence (as at July 2013)	0.93
	Mobile/broadband	6.00
	Insurance	0.00
	Total bills	84.80
Weekly spending	Food	25.00
	Travel/petrol	2.00
	Household	2.43
	Clothes	3.00
	Cigarettes/drinks	11.76
	Eating out/takeaway/trips	4.00
	Presents for Leon	2.00
	Total weekly spending	50.19
Savings	Garage fund	1.00
<i>Total</i>		135.99
What's left	RESULT!	0.00

He thinks he should have insurance, but can't afford it at the moment. He is sharing a flat with two others so bills are split which makes things manageable.

Auntie May has said that even saving £1 a week is a start.