



TFO
LIFE ACADEMY

PARENT GUIDE: DIVE INTO LENDING

LEARN IN SHALLOW WATER— BEFORE IT GETS EXPENSIVE



For many adults, the first real lesson about borrowing comes **after a mistake** — a credit card balance that grows fast, a student loan that feels heavier than expected, or a car loan that costs more than the car.

Dive Into Lending teaches kids before that moment. Kids learn the basics now — when examples are simple and curiosity is high. This helps them understand credit cards and student loans before they're ever asked to sign up for one.

This experience includes a **map and worksheet**, plus short animated videos (accessed by QR code) that explain:

- What it means to borrow
- Why interest adds up
- How small choices can become expensive

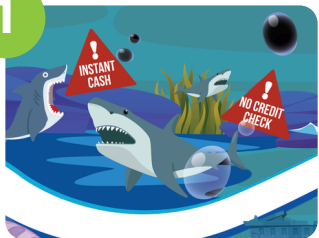
HOW TO USE IT:



Scan the QR code, watch a short video together, then complete the matching worksheet section. The sea creature explains first — you just talk it through.

The goal isn't to scare kids away from borrowing. It's to make sure their **first lesson doesn't come from a costly mistake.**

1



Loan Shark Lagoon | What Is a Loan & Why to Be Cautious

Parent lesson: A loan is money you borrow and promise to pay back, usually with interest. Some loans seem helpful but are risky because they charge too much or rush people into decisions.

Ask: "What would make a loan feel unsafe to you?"

2



Balloon Payment Tsunami | Surprise Payments

Parent lesson: Some loans look affordable each month but end with one very large final payment called a balloon payment. That surprise can cause real problems if you're not ready for it.

Ask: "Why might smaller monthly payments be misleading?"

3



Mortgage Reef | Renting vs. Owning

Parent lesson: Renting means paying to use a home. A mortgage is a long-term loan that helps someone own a home over time and slowly build value.

Ask: "How is owning something different from just paying to use it?"

4



Car Loan Current | Credit Scores & Interest

Parent lesson: A credit score helps lenders decide how risky it is to lend money. Higher scores usually mean lower interest and lower monthly payments.

Ask: “Why do you think responsibility affects borrowing costs?”

5



Student Loans | Borrowing for the Future

Parent lesson: Student loans help pay for education now, but must be repaid later. Borrowing more than you can afford in the future can make adulthood more challenging.

Ask: “How could choosing a career affect someone’s ability to repay a loan?”

6



Credit Card Cove | Borrowing Small Amounts Often

Parent lesson: Credit cards let you buy things now and pay later. If the balance isn’t paid in full, interest adds up — and small purchases can quietly become very expensive.

Ask: “Why did the same hoodie could end up costing different amounts?”

7



HELOC Harbor | What Is Equity?

Parent lesson: Equity is the part of a home you actually own. It’s the difference between what the home is worth and how much is still owed.

Ask: “Why does equity take time to build?”

8

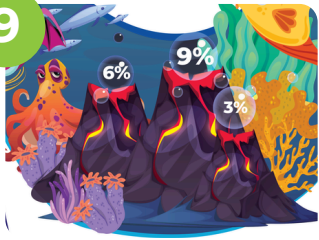


APR Abyss | The True Cost of a Loan

Parent lesson: APR shows how much extra a loan costs each year. A lower APR usually means paying less overall — even if the loan amount is the same.

Ask: “Which loan costs the least in the long run?”

9



Variable Rate Volcano | Changing Interest Rates

Parent lesson: Some loans have interest rates that change. When rates rise, payments rise too — sometimes unexpectedly.

Ask: “Why might predictable payments feel safer?”

Final Thought for Parents

Credit cards and student loans often become a child’s **first independent financial decisions** — and they’re usually made without much context. Teaching these concepts early doesn’t remove risk entirely, but it **dramatically reduces the chance** that a child’s first lesson comes from a painful, expensive mistake.

One video. One worksheet. One conversation. That’s how a foundation gets built.



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DIVE INTO LENDING: A DEEP SEA LOAN ADVENTURE



1 Credit Card Cove

2 Loan Shark Lagoon
INSTANT CASH
NO CREDIT CHECK

3 Mortgage Reef
SOLD

4 Car Loan Current
4%
8%
16%

5 Student Loan Shore

6 HELOC Harbor
10% OWNED
30% OWNED
50% OWNED
90% OWNED

7 APR Abyss
3%
6%
12%

8 Variable Rate Volcano
3%
6%
9%

9 Balloon Payment Tsunami
FINAL PAYMENT DUE

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Lending Basics

Loan: Money you borrow and must pay back.

Lender: The person or group who gives the loan.

Borrower: The person who borrows the money and promises to repay it.

Interest: The extra money the borrower pays for using the loan.



Loan Shark Lagoon — Predatory Loans

What to Know: Some loans look helpful but charge very high interest or add hidden fees. These can trap borrowers in debt.

Activity — Spot the Dangerous Deals: Circle the loan offers that might be unsafe. *Tip: Unsafe loans often have very high paybacks, fast deadlines, or say things like “don’t worry about the fine print.”*

1. Borrow \$50, pay back \$150 by Friday
2. “Fast cash now — don’t worry about the fine print!”
3. Borrow \$100, repay \$110 in two months
4. “Easy money! Fees added later”
5. Borrow \$40 with \$10 interest every week until you pay it off

Answers: 1, 2, 4, 5 (#3 is the safe one)



Balloon Payment Tsunami — Surprise Payments

What to Know: Some loans have smaller payments each month, but end with one very large payment. That big final payment is called a balloon payment — because it suddenly puffs up, like a puffer fish.

Activity — Match the Puffer Fish

All three loans are for the same thing paid over 20 months:

Original Loan: Borrow \$10,000 to buy a used car.

Each loan has a puffer fish showing its final payment.

➡ Draw a line from each loan to the puffer fish that matches its final payment.

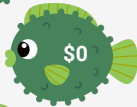
The Loans

Loan A Borrowed \$10,000
Pay \$100 every month

Loan B Borrowed \$10,000
Pay \$500 every month

Loan C Borrowed \$10,000
Pay \$200 every month

The Puffer Fish



Answer Key: Loan A → \$8,000, Loan B → \$0, Loan C → \$6,000



Mortgage Reef — Home Loans

What to Know: Rent means you pay to use a home. A mortgage means you pay to own a home over time.

Activity — Circle the ones that sound like a mortgage:

1. “I pay every month, but the home will be mine someday.”
2. “I pay every month, but I must move when my lease ends.”
3. “I’m building ownership little by little.”
4. “I don’t build ownership — I’m just borrowing the space.”

Answers: Mortgage = 1 and 3; Rent = 2 and 4



Car Loan Current

What to Know: A credit score helps lenders decide how risky a loan is. Higher scores usually lead to lower interest and lower monthly payments.

Activity — Match the Driver to the Payment

All three drivers want the same car.

➡ Draw a line from each driver to the monthly payment they would most likely get.

Drivers (Credit Score + Interest Rate)

Driver A Credit Score: 760 • Interest Rate: 4%

Driver B Credit Score: 680 • Interest Rate: 8%

Driver C Credit Score: 520 • Interest Rate: 16%

Monthly Payments

\$330/month

\$375/month

\$445/month

Rule Reminder:

Higher credit score → lower interest rate → lower monthly payment

Answer Key: Driver A → \$330, Driver B → \$375, Driver C → \$445



Student Loan Shore

Activity — Which Majors Can Pay It Back?

Each student borrows \$20,000 for school.

➡ Circle the majors that are more likely to lead to jobs that can help repay the loan.

Choose Wisely

1. Nursing
2. Electrician training
3. Engineering
4. Professional Nap Studies 😴
5. Teaching
6. Underwater Basket Weaving (Advanced Level) 🤿
7. Computer Science

Answer Key: ✓ 1, 2, 3, 5, 7 ✗ 4, 6



Credit Card Cove — Credit Cards

What to Know: A credit card lets you borrow money to buy something now. If you don’t pay it back right away, interest adds onto interest over time — this is called compounding.

Activity — That Is One Expensive Hoodie

Three friends buy the same hoodie using the same credit card.

Hoodie Price: \$60

➡ Draw a line from each friend to the total amount they end up paying.

The Friends

Friend A Pays the full balance right away

Friend B Pays only the minimum for 3 months

Friend C Takes 8 months to pay it off

Total Paid

\$96

\$60

\$72

Answer Key: Friend A → \$60, Friend B → \$72, Friend C → \$96

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HELOC Harbor — What Is Equity?

What to Know: When someone buys a house, they usually use a mortgage (a home loan). They own the house, but they also owe money to the bank.

➡ Equity is the part of the house’s value that is left over after you subtract what you still owe on the mortgage. Think of it like this:
Equity = What it’s worth now – What you still owe.

Activity — What Is the Equity?

A house is worth \$300,000 today. The homeowner still owes the bank \$180,000 on the mortgage.

➡ Circle the equity.

Choices	\$120,000	\$180,000	\$300,000	\$480,000
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Answer Key: ✓ \$120,000



APR Abyss — Annual Percentage Rate

What to Know: APR shows how much extra you pay each year. Lower APR = lower cost.

Activity — Dive for the Best Deal: Circle the best loan.

Lender	Amount	APR	Total Paid Back
SafeHarbor Lender	\$100	5%	\$105
DeepWater Lender	\$100	20%	\$120
ShinyShell Lender	\$100	10%	\$110

Answer: SafeHarbor Lender (5% APR)



Variable Rate Volcano — Changing Interest Rates

What to Know: Some loans have a variable rate, which means the interest rate can change over time. When rates rise, payments can erupt upward — like a volcano.

Activity — Watch the Volcano

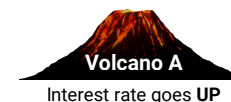
All three borrowers have the same loan:

Original Loan: Borrow \$8,000 for school supplies and technology.

➡ Draw a line from each volcano to what happens to the monthly payment.

The Volcanoes

What Happens to the Payment?



Payment stays the same



Payment goes up



Payment goes down

Answer Key: Volcano A → Payment goes up, Volcano B → Payment stays the same, Volcano C → Payment goes down