



Lesson Plans

Lesson Plan 5: Understand Bank lending practices

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| Sector: Financial/Banking Services | Occupation: Customer Service Representatives- Financial Services (NOC 1433) |
| Theme: Bank Lending Practices | Occupational Task: Determine eligibility for a Bank Loan |

Describe Essential Skills (ES) developed during the learning activities:

Reading Text: Read simpler text to locate multiple pieces of information. (ES 2)

Numeracy: Make calculations for loan eligibility. (ES 2)

Writing: Brief text that is a paragraph or longer intended to serve a variety of purposes. (ES 2)

Oral Communication: Give a short talk to a small group, exchange information about a familiar topic on one main issue. (ES 2)

Thinking Skills: Consider a number of factors and opinions in making a decision. (ES 2)

Computer Use: Access information on the Internet about loan and mortgage rates. (ES 2)

Indicate the Canadian Language Benchmarks (CLB) competencies developed during the learning activities:

Speaking

- Present information in a coherent connected discourse. (CLB 6)
- Express and qualify own opinion in a small group discussion about loans and mortgages. (CLB 7)
- Participate in informal conversations including problem solving and decision making. (CLB 7)
- Interact in a familiar group with 3 to 5 people. (CLB 7)

Listening

- Comprehend main points and most important details in oral discourse in moderately demanding contexts of language. (CLB 7)
- Understand factual details and some implied meanings. (CLB 7)

Reading

- Find information in a moderately complex three-five paragraph text. (CLB 7)



Writing

- Write a one-to two-paragraph report to give a description and make a comparison. (CLB 6-7)

Language and culture focus for the learning activities:

Grammar

- Express opinions/ preferences
- Polite interrupters
- Giving explanations

Vocabulary

Amortization period, assets, assumed mortgage, open mortgage, mortgage rates , co-sign, Interest rate, gross earnings, net earnings

Culture

Customer Service Representatives may move into higher positions which require more responsibility.

Suggested teacher resources and classroom materials needed:

- Instructor made place cards with Bank names
- Copies of 3 loan applications with written instructions created for the lesson (attached)

Estimated time for the learning activities: 1:50 hour

This lesson can be integrated into an ESL curriculum with themes that include banking and managing money/budgeting

Learner Profile:

This lesson plan is the fifth in a module around a banking theme for a customer service course for ESL learners. Learners already have background knowledge of banking terms and have visited a financial service website. This lesson will familiarize CSR with banking practices for lending money. The learners may have professional backgrounds in accounting and may have worked for financial institutions and therefore should have the math skills necessary to perform the tasks in this lesson. They are considering work as Customer Service representatives in Banks or similar financial institutions/ the retail sector. The learners have a minimum CLB level 6 or higher

Learning Objectives:

Students will be able to:

- Compare lending rates for loans and mortgages at a number of banks to identify the differences in lending practices.
 - Identify the different factors involved in making a loan decision, i.e. Assets, income, money owing and expenses.
 - Participate in a small group discussion to reach a consensus about a loan application.
 - Write a report detailing reasons for granting or denying a loan.
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Learning activities:

Pre-Activity: Learners were asked to check the lending rates and mortgage rates at an assigned bank online or by visiting the bank and bringing information back to class.

1. Students arrange themselves in small groups around a table representing the particular bank they have been assigned. The names representing Canadian Banks are designated with a place card at each table (RBC, BMO, Scotia Bank, CIBC, TD Canada Trust). (5 minutes)

2. Instructor distributes a copy of written instructions along with a copy of **Loan application #1** to each learner and reviews the written instructions with the whole class to ensure understanding of what is expected in the lesson. There are 3 loan applications.

The instructions read: **You are bank loan officers at a particular bank. It is your job to review loan applications and decide who should or should not receive a loan from the bank. Read the information about the loan applicants and then decide whether or not you will grant the loan. Write a short report detailing the reasons for your decision for each case.**

Instructor explains:

- a) Each group, representing a bank, has a mortgage and lending rate to make calculations with and these rates are inserted in the appropriate blanks in the loan application. These rates may or may not be the same for each bank.
- b) Learners read information and ask for clarification of the vocabulary in Loan Application #1.
- c) Learners are instructed to re-read the profile of the applicant and make an independent decision about granting or not granting the loan. Learners must be prepared to defend their reasons. Instructor suggests each learner create an asset/debt chart to refer back to when defending their position.
- d) Upon completion of the short report, each learner presents his/her report and discusses his/her decisions with the other group members to reach a group consensus.

Learners work in small groups and consider the information in Loan Application #1. Instructor monitors each group to ensure they are working efficiently to complete the task within a given time frame. When all groups have reached a consensus and a decision has been made to grant or decline the loan application, learners move to the next loan application. (25 minutes)

3., Instructor distributes **Loan Application #2** to one member of the group. The loan application is read to the other members of the group and re-read if necessary, until everyone understands all the issues. A reporter is assigned to make a chart of the assets, debts and other important details in the loan application. Learners have a group discussion in order to reach a consensus about whether or not to grant the loan. (25 minutes) Each learner considers the information in Loan Application #2 and repeats the instructions in Activity 2 (d). (25 minutes)

4. Instructor distributes **Loan Application #3**. In pairs, learners consider the information in Loan Application #3 and repeat instructions from activity 2 and 3. (25 minutes)

5. Whole Class: Each bank group presents their decisions, outlining their bank lending practices to other bank groups. Instructor puts results on the board and learners determine



the similarities and differences in lending practices among the different banks. (30 minutes)

Additional and/or extension learning activities: This is definitely more helpful.

Learners do more extensive research online to determine which banks and foundations are committed to giving newcomers loans to take Canadian training in order to find jobs in his/her field. Learners can visit the Alterna Savings Immigrant Employment Loan Program website at

www.metrocu.com/Community/CommunityPrograms/ImmigrantEmploymentLoanProgram funded by a loan from The Maytree Foundation,

Canadian Gateway to Micro Finance www.microfinance.ca/en/resources/invest_alterna.cfm

Canadian Community Investment Network Co-op (CCINC)

www.communityinvestment.ca/cominv_profiles.html .

Because learners have similar professional backgrounds, they can create a network to stay connected and pass information along to each other.

Evaluation: Informal Evaluation:

Instructor discusses the short written reports with each learner and gives feedback on the independent decisions made for each profile.

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**Lesson Plan 5- Understand Bank Lending Practices
Bank Loan Decisions**



Instructions: You are bank loan officers. It is your job to review loan applications and decide who should or should not receive a loan from the bank. Read the information about the loan applicants below and then decide whether or not you will grant the loan. Write a short report detailing the reasons for your decision in each case.

Loan Application #2: Sylvia Sanchez

Sylvia Sanchez is a single, 25 year old friend of yours who has recently graduated from university with a Master's degree in computer engineering. She graduated with honours and was near the top of her class.

Sylvia wants to start her own electronics development company. She has several ideas for new products. For example, she wants to develop and manufacture a portable fax machine that a person can carry and use anywhere. Sylvia developed this idea for her Master's degree thesis at university and has worked on developing and refining it for the last year and a half.

Sylvia has no assets (she does not own a house or a car). She has never worked as a computer engineer before and has no business experience. She says she needs half a million dollars (\$500,000) to develop her company.

Sylvia's father owns a house that he could sell for \$350,000. The mortgage on the house is paid. Sylvia's father also has \$50,000 in savings. He says he will co-sign for the loan. This means that if Sylvia cannot pay back the money, the bank can take her father's house and savings.

Loans approved? Yes/No Why?/ Why not?

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