

Synergy Cents

From the desk of *Penny D. Pelican*



When people want to buy something that they don't have enough money for, they may ask the bank for a loan. A loan is an agreement between the bank and a customer that says the bank will let that person borrow money, while the person agrees to pay back the full amount a little at a time.

An example of a loan would be if you ask your parents to borrow \$20 and you promise to pay them back. If they give you the money, you can pay them back with money you earn later. Let's say you get \$10 for your birthday and then earn \$5 for washing your parents' car and another \$5 for doing the dishes. You can then pay your parents back the loan they gave you.

People borrow money from banks for plenty of reasons. Many adults may get a loan to buy a house, buy a new car, and even send their kids to college. Since these things can be very expensive, they can ask the bank to give them the money to make these big purchases and promise to pay them back. The bank will also charge a little extra, called interest.

It is only a good idea to get a loan if you really need the item you want to buy and if you have enough money to make payments every month back to the bank. It is always important to make wise choices when thinking about making big purchases.



Come visit me anytime at banksynergy.com/penny

TEST YOUR LOAN KNOWLEDGE

Try to match the different kinds of loans on the left to the different situations on the right.



AUTO LOAN

MORTGAGE LOAN



STUDENT LOAN



RECREATIONAL LOAN



BUSINESS LOAN



Mary wants to go to college at Nicholls State University.

Linda wants to expand her pet grooming business to a bigger building.

Billy would like to buy a new boat and four-wheeler.

Amelia's car broke down and she needs to buy a new one.

Jake wants to buy a new house on Sunny Avenue.

Look for the solutions at www.banksynergy.com/penny

Can you unscramble these words? If you need some help, just look for clues throughout Penny's newsletter. All of these words are somewhere close by.

Then take the letters in the to unscramble the answer to the question below.

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At which office did the tree trimmer apply for a loan?

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Join us July 21st for Kids Day!

Penny D. Pelican will be at Kids Day at the Houma-Terrebonne Civic Center on July 21st. Come play the Spin-the-Wheel and Synk-It games at the Synergy Bank booth.

While there, you can also take a picture with Penny against a swamp scene background. Pictures are free and will be mailed after the event.



DID YOU KNOW?

Did you know that a lot of countries have their own form of money that is different from ours? With the 2012 Summer Olympic Games happening in London, England this summer, we thought it would be fun to learn about the countries that have won the most medals at the Olympics and their currency.

United States has won 2,296 medals!
We use the U.S. Dollar as currency.



Russia has won 1,010 medals.
They use the Ruble as currency.

Germany has won 851 medals.
They use the Euro as currency.



Great Britain has won 715 medals.
They use the Pound Sterling as currency.



Parents Corner

You can help teach your child about financial responsibility by demonstrating how a loan works. If they would like for you to buy them a pricey new toy, explain that you will loan them the money like a bank would. Set up a payment schedule for your child to give you money they receive from birthdays or holidays or a portion of their allowance every month to go towards the toy, plus a little extra interest.

For example, if they want an \$80 bike, charge 10% interest or \$8. This will give them the choice to go ahead with the purchase, knowing it will cost them more in the long run, or decide if they should save up their money to make the purchase on their own.

If your child makes all of their monthly payments, maybe use the interest earned to take them out for a treat as a reward.



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985-851-2217

Houma • Gray • Thibodaux

