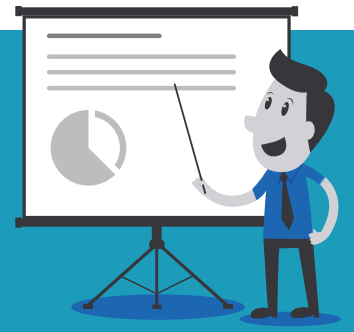


# COMMON **FINANCIAL TERMS** AND PHRASES YOU SHOULD KNOW.



*These are common financial terms you will come across while navigating your personal finances. Get familiar with them so you can make educated decisions about your financial goals.*

## FINANCIAL TERMS

**Credit:** An agreement in which a borrower receives something of value now and agrees to repay the lender at some later date.

**Debt:** Money that you owe.

**Loan:** Money that you have borrowed, which you normally have to repay on a specified schedule, with interest.

**Consumer debt:** Money owed on items other than mortgage debt, including unpaid credit balances, auto loans, etc., normally not including regular expenses that are paid monthly, such as phone bills, utility bills, etc.

**Total debt:** Consumer debt plus any mortgage loans.

**Debt load:** The total amount of money you owe.

**Debt ratio:** The amount of monthly debt payments you have relative to your monthly income.

### *Disclaimer*

The information provided is not intended as complete financial advice. This information is only intended to give a brief summary of the topic for discussion purposes. It is recommended that you speak with a financial expert who can provide more detailed financial advice based on your individual situation.

*Source:* [fcac-acfc.gc.ca](http://fcac-acfc.gc.ca) - Financial Consumer Agency of Canada (Government of Canada)

