

# Understanding Credit Cards Note Taking Guide

	Total Points Earned
	Total Points Possible
	Percentage

Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_

A credit card is:

The cost of credit is expressed as:

What is the minimum payment?

What impact does only paying the minimum payment have on a consumer?

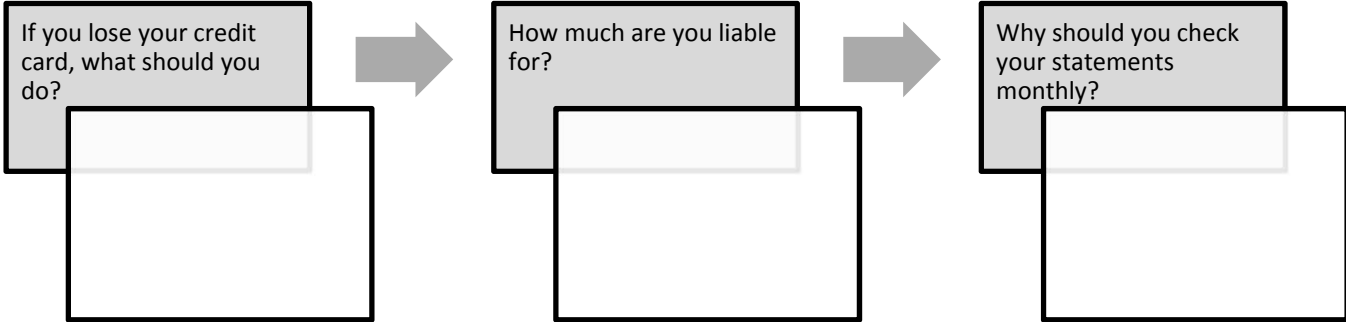
Identify four positive credit card behaviors:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

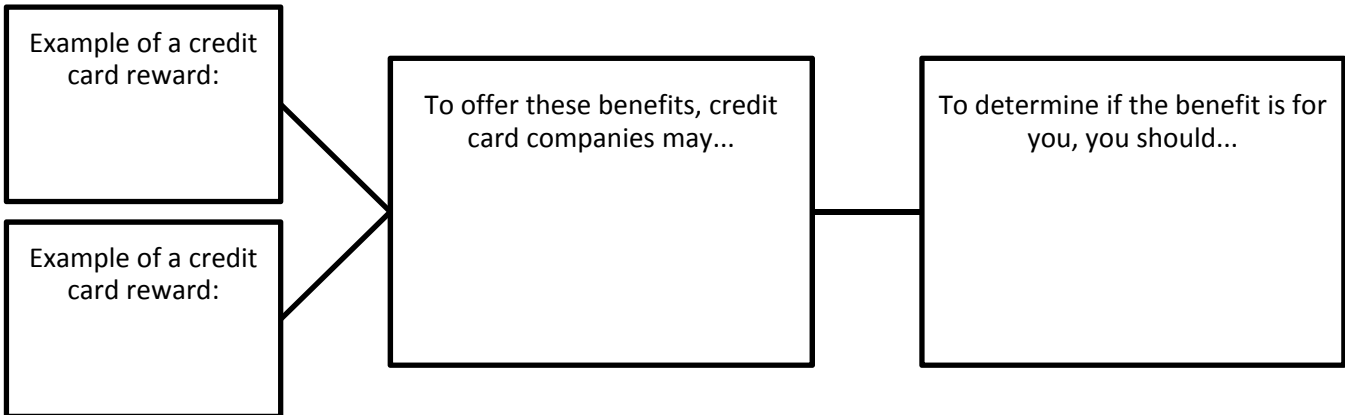
What are three ways a credit card is a convenient payment tool?



Why may consumers overspend when using a credit card?



Summarize why credit cards are safer than debit cards for online shopping.



Two advantages of a credit card

Two disadvantages of a credit card

Why is reading the Schumer Box information closely important?

Use the space provided to describe each section of the credit card offer and define vocabulary words.

Schumer Box-	
Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	
APR for Balance Transfers	
APR for Cash Advances	
Penalty APR and When it Applies	
How to Avoid Paying Interest on Purchases	
Minimum Interest Charge	
For Credit Card Tips from the Federal Reserve Board	
Fees	
Set-up and Maintenance Fees	
Transaction Fees	
Penalty Fees	
<p>* How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)."</p> <p>* Loss of Introductory APR- We may end your introductory APR and apply the Penalty APR if you become more than 60 days late in paying your bill</p>	

Describe how an individual obtains a credit card.



What does it mean if an individual receives a pre-approved credit card application?

If you are under 21, how do you receive a credit card?

Why is it important to read a monthly statement closely?

Describe each section of a credit card statement.

<b>Credit Card Statement</b>	
<b>Summary of Account Activity</b>	
<b>Payment Information</b>	
<b>Late Payment Warning</b>	
<b>Minimum Payment Warning</b>	
<b>Notice of changes to your interest rates</b>	
<b>Other changes to your account terms</b>	
<b>Transactions</b>	
<b>Fees and Interest Charges</b>	
<b>Year-to-date Totals</b>	
<b>Interest Charge Calculation</b>	