

Understanding Credit Cards Note Taking Guide

A credit card is:

The cost of the credit card is expressed as: _____

What is the minimum payment? _____

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

Identify 4 positive credit card behaviors and briefly explain each:

1.
2.
3.
4.

What are 3 ways a credit card is a convenient payment tool?

1. _____ 2. _____ 3. _____

Why may consumers overspend when using a credit card?

If you lose your credit card, what should you do?

How much are you liable for? _____

Why should you check your statements monthly?

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

2 examples of a credit card reward: _____ and _____; to offer these benefits, credit card companies may:

To determine if the benefit is for you, you should.....

2 advantages of a credit card: _____ and _____

2 disadvantages of a credit card: _____ and _____

Why is reading the Schumer Box information closely important?

Schumer box:

Interest rates and interest charges	
Annual Percentage Rate (APR) for purchases	
APR for balance transfers	
APR for Cash Advances	
Penalty APR & when it applies	
How to avoid paying interest on purchases	
Minimum interest charge	
For credit card tips from the federal reserve board	
Fees	
Setup & maintenance fees	
Transaction fees	
Penalty fees	
How we will calculate your balance: use a method called "average daily balance"	
Loss of intro APR – end your intro APR and apply penalty APR if you become more than 60 days late in paying your bill	

Describe how an individual obtains a credit card

1. _____
2. _____
3. _____

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?

Credit Card Statement	
Summary of account activity	
Payment information	
Late payment warning	
Minimum payment warning	
Notice of changes to your interest rates	
Other changes to your account terms	
Transactions	
Fees & interest charges	
Year-to-date totals	
Interest charge calculation	