

# CREDIT: FITB Review

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This activity will help to get you ready for our test coming up on Monday. There are 24 vocabulary words listed below in the word bank. These are many of the CREDIT terms that you should know for the test.

## Word Bank

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APR= $2MI/P(N+1)$	Electronic Fund Transfer Act	Loan Scams
Benefits of Using Credit	Equal Credit Opportunity Act	Mortgage
Capacity	Fair Credit Billing Act	$MP=(P+I)/N$
Character	Fair Credit Reporting Act	Payday Loans
Collateral	Fair Debt Collection Act	Pyramid Scams
College Financial Aid Scams	Financial Institutions	Rent-to-Own
Credit Repair Schemes	$I=PRT$	Risks of Using Credit
Credit Report	Identity Theft	Truth in Lending Act

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\_\_\_\_\_ A law that forbids collection agencies from using threats, harassment, or abuse to collect debts.

\_\_\_\_\_ A law that governs the activities of credit bureaus and creditors

\_\_\_\_\_ A Law that provides consumer protection to people who use ATM and debit cards.

\_\_\_\_\_ A law that requires creditors to mail your bill at least 14 days before payment is due. It establishes procedures for correcting billing errors on your credit card accounts

\_\_\_\_\_ A law that requires that all consumers will be given an equal chance to receive credit

\_\_\_\_\_ A loan that is used to purchase a house

\_\_\_\_\_ allows a person to get cash until payday with no credit background check. It is a legal loan and it can help some people in an emergency.

\_\_\_\_\_ Formula for Annual Percentage Rate

\_\_\_\_\_ Formula for simple or add-on interest

\_\_\_\_\_ Illegal scams where a company promises to get you scholarships for an upfront fee.

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\_\_\_\_\_ Illegal scams where businesses offer to “erase” any negative items on your credit report for an upfront fee.

\_\_\_\_\_ Illegal scams where companies offer to consolidate all of your loans into one ... for an upfront fee

\_\_\_\_\_ Law that requires that creditors disclose the cost of credit in simple terms; also requires that if a business advertises one credit feature, it must mention all other credit terms.

\_\_\_\_\_ One of the 3Cs of credit; relates to whether you have the ability to repay the loan

\_\_\_\_\_ One of the 3Cs of credit; relates to whether you possess the honesty and reliability to pay credit debts.

\_\_\_\_\_ One of the 3Cs of credit; represents your assets that could be sold to pay off your loan in the event that you are unable to do so; serves as a type of insurance for the creditor.

\_\_\_\_\_ People may use too much credit in relationship to their income.

\_\_\_\_\_ Misusing credit can make it hard for people to get credit in the future.

\_\_\_\_\_ Purchasing merchandise in this way usually costs 2 to 5 times as much as purchasing the goods from a department store or appliance store.

\_\_\_\_\_ The formula for calculating monthly payments on a loan

\_\_\_\_\_ These are compiled by one of the three credit bureaus in the country to keep track of your credit payment history.

\_\_\_\_\_ These illegal scams can be disguised as games, buying clubs, chain letters, mail order operations, or multi-level business opportunities

\_\_\_\_\_ These include banks, savings and loans, credit unions, and consumer finance companies – places where you can obtain credit

\_\_\_\_\_ These include: helping people acquire assets, helping people lead happier lives; helping people in an emergency.

\_\_\_\_\_ When somebody uses your social security number or other personal information to open up accounts in your name