

CREDIT ABUSE POP QUIZ
Test Your Consumer Knowledge

1. TRUE or FALSE: The ability to obtain a job, car, and/or home loan critically depends on your credit history and score.
2. What does FICO stand for?
 - a) Federal Insurance Credit Organization
 - b) Fair Isaac Corporation
 - c) Financial Income Credit Office
 - d) Fair Interest Consumer Organization
3. What is FICO?
 - a) it keeps a report card of your late payments and debt
 - b) it punishes consumers for going over their credit limit
 - c) a three-digit number that determines the interest rate you will pay on your credit cards, car loans and home mortgages or whether you will be able to get a cell phone or have your application for a rental apartment accepted
 - d) it offers credit cards
4. What is the biggest factor in determining your credit rating with lenders?
 - a) income level
 - b) home ownership
 - c) amount of debt
 - d) FICO score
5. The average amount of time it takes to "clean up" a negative credit history is:
 - a) 2-3 years
 - b) 12 years
 - c) 7 years
 - d) 10 years
6. TRUE or FALSE: A higher FICO score puts you in line for a lower interest rate on a loan or credit card.
7. TRUE or FALSE: High school students are considered to be one of the "easier" targets by credit card companies because they know they are uninformed and ready to spend.
8. TRUE or FALSE: The only way to avoid credit card debt is to never use your credit card.
9. What's an APR?

10. Always use cash, not credit cards for:
 - a) emergencies, food, and movie tickets
 - b) food, movie tickets and anything less than \$10.00
 - c) internet shopping, emergencies and gas
 - d) gas, anything less than \$50.00 and movie tickets

11. If you have a \$5,500 balance on a credit card and the interest rate is 12% and you make the minimum monthly payment of \$110.00, how long will it take you to pay off the balance?

12. By the end of a college student's freshman year he/she will have accumulated an average of _____ in credit card debt alone.
 - a) \$1,500.00
 - b) \$500.00 - \$800.00
 - c) \$500.00
 - d) \$50.00

13. What will you owe if you pay your credit card balance after the due date?
 - a) a late penalty
 - b) interest on your entire balance
 - c) both of the above
 - d) neither of the above

YOU MIGHT LIKE TO CHECK OUT THESE WEB SITES:

- 1) [Http://www.myfico.com](http://www.myfico.com)
- 2) http://econ4u.org/econ4u_topic.cfm
- 3) <http://www.casb.uscourts.gov/html/care/index.htm>
- 4) <http://www.apexcreditcards.com>
- 5) <http://www.creditcards.com>

CARE PROGRAM POP QUIZ ANSWER KEY

1. True
2. B
3. C
4. D
5. C
6. True
7. True
8. True
9. Annual Percentage Rate a/k/a APR. Beware though, some APR's are fixed rate and some are a variable which are the current prime rate + x% which is tied to the economic market index a/k/a Prime Rate.
10. B
11. 235 Months = 20 Years
12. A
13. C

SOURCE OF MATERIALS:

1. USBC's CARE Program DVD
2. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 21]
3. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 21]
4. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 21]
5. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 21]
6. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 43]
7. USBC's CARE Program DVD
8. Self-Explanatory.
9. Balancing Act Video, Channel One
10. USBC's CARE Program DVD
11. Balancing Act Video - Channel One
12. Press Release, U.S. Rep Louise Slaughter, 9/14/2004. "Reps. Slaughter, Duncan Introduce Bill to Protect College Students From Credit Card Debt"
13. Firstjobs Educational Outreach Program. Web site: http://econ4u.org/econ4u_topic.cfm