



Introduction to Business
Chapter 26 How to Get and Keep Credit

(A) credit bureau, (B) credit limit, (C) cosigner, (D) down payment, (E) finance charge, (F) principal (G) annual percentage rate (APR), (H) secured loan, (I) grace period, (J) unsecured loan, (K) repossess, (L) garnishment of wages, (M) variable rate, (N) cash advance.

1. _____ A loan that is backed by collateral.
2. _____ A loan that is not backed by collateral.
3. _____ An agency that collects information about you and other credit consumers.
4. _____ This determines the cost of your credit on a yearly basis.
5. _____ The amount of money owed and upon which the interest is calculated.
6. _____ The number of days available to pay a credit card balance without having any interest charged
7. _____ An initial portion of the total cost paid with cash or with a check.
8. _____ Someone who agrees to make payments on a loan if you fail to do so.
9. _____ The cost of credit stated in dollars and cents.
10. _____ A type of loan where the rate changes as interest rates in the banking system change.
11. _____ The maximum amount you can spend or charge on a credit account.
12. _____ The legal right to take back collateral.
13. _____ Something you get when you borrow money on a credit card rather than use it to make a purchase.
14. _____ When a creditor takes all or part of your paycheck if you miss credit card payments.

Review What You Learned

15. How can credit make your life easier?
16. Why is it important to comparison shop when you enter the credit market?

- 17. Why do creditors look at the amount of collateral you have before deciding whether or not to loan you money?
- 18. What do creditors use your credit rating for when deciding whether or not to loan you money?
- 19. Why is the interest rate charged on an unsecured loan often higher than that charged on a secured loan?
- 20. What does the law require a lender to provide to a consumer when he or she is considering borrowing money?
- 21. What should you consider when looking at the cost of a credit card?
- 22. What is a secured loan? Who are they marketed to?
- 23. Explain the three ways finance charges are calculated on unpaid credit card balances.
- 24. What is one of the primary causes of debt problems?
- 25. Five C's of Credit 1. _____ 2. _____
3 _____ 4. _____ 5. _____



The Texas Constitution
Article 16 - GENERAL PROVISIONS
Section 28 - GARNISHMENT OF WAGES

No current wages for personal service shall ever be subject to garnishment, except for the enforcement of court-ordered:

- (1) child support payments; or
- (2) spousal maintenance. (Amended Nov. 8, 1983, and Nov. 2, 1999.)

