



**CREDIT
ABUSE
RESISTANCE
EDUCATION
(CARE)
PROGRAM**

Take a Car Home for \$100!

2



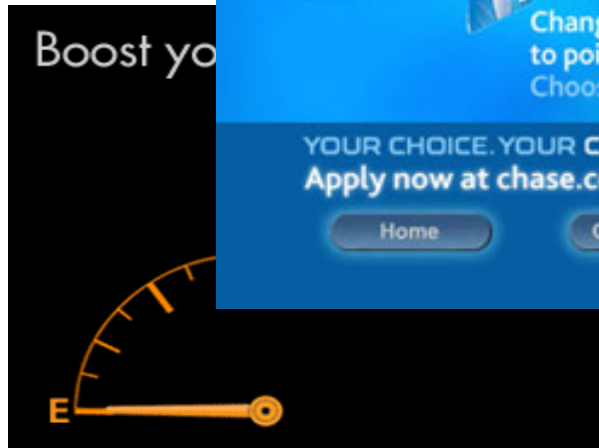
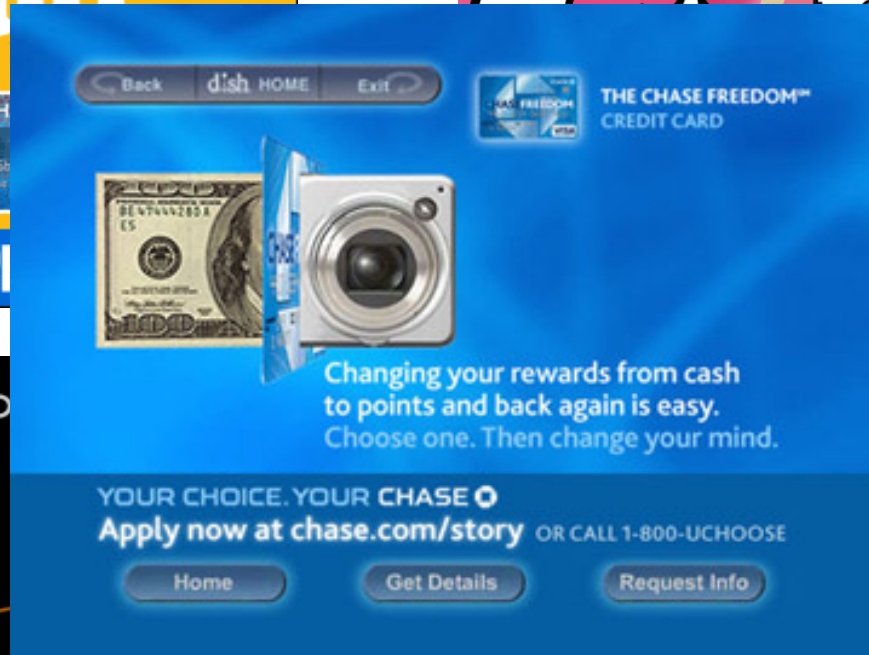
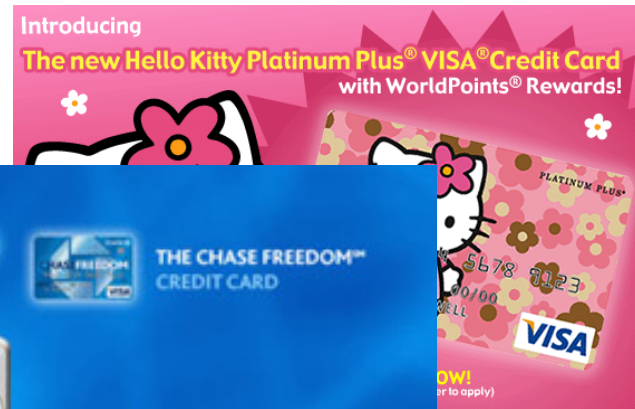
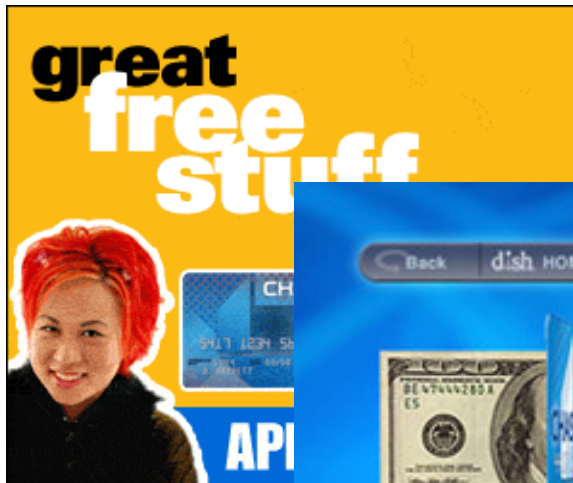
Freecreditreport.com (not)

3



Credit Card Ads

4



Credit Card Ad: Video



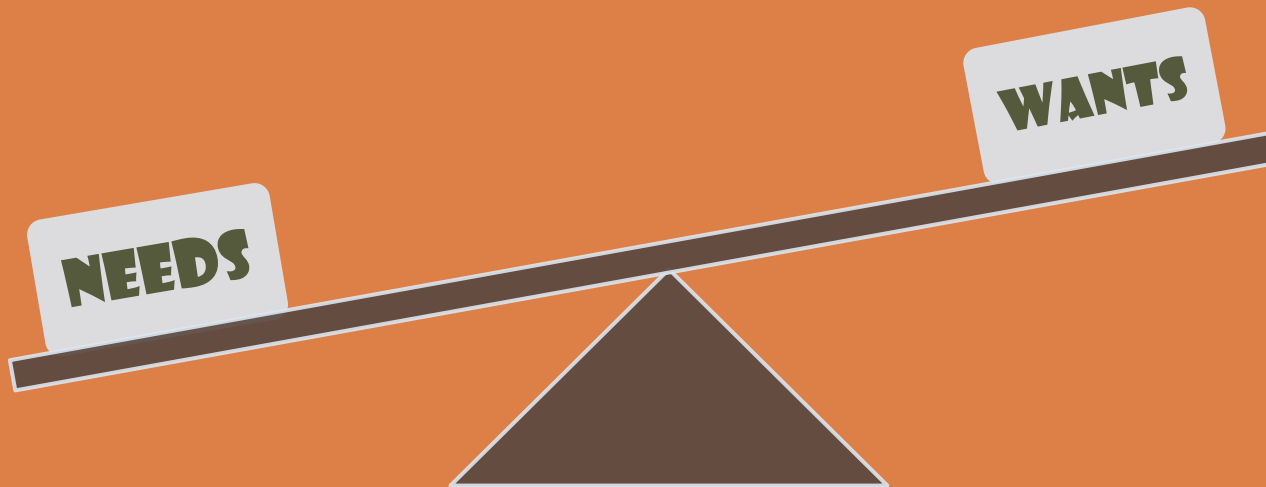
Real Freedom?

How do you spend money?

7



Are you buying things you
need or want?



How do you pay for what you want?

9



Credit Card Ad: Video



You're Paying with What?

For “Big Ticket” Items

12



Unless you have saved
lots of cash...



...you will probably use
a credit card.

True or False?

13

All credit card companies charge the same annual percentage rate (APR) of interest on the balance you owe.

19.5%

23% APR

FALSE

14

Different banks charge different rates.

Other
important
terms also
vary:

**Annual
fees**

**Late
fees**

**Grace
periods**

True or False?

15

If you pay your credit card balance on time and in full each month, it does not matter what rate the bank charges on your credit card.

TRUE

16

Because you pay interest on the **unpaid** amount each month, you never pay any interest charge **if** you pay the entire amount due each month.

Banks hate it when you do this!



True or False?

17

You pay no interest on a
debit card purchase.

TRUE

18

A debit card works like a check.
Money is instantly deducted from your
checking account.



Your ATM card is
probably a
debit card also.

True or False?

19

If you are late in making a few credit card payments, the interest rate you pay may increase sharply.

TRUE

20

For example, on one user's credit card, the rate jumped from
4.9% to **24%**
when one payment was late!

- Late charges also can accrue.

True or False?

21

Bouncing just one check will not
cause you credit problems.

FALSE

22

If you bounce a check, your bank may put your name in ChexSystems®.

You could be “blacklisted” for up to five years. You may not be able to open another checking account.

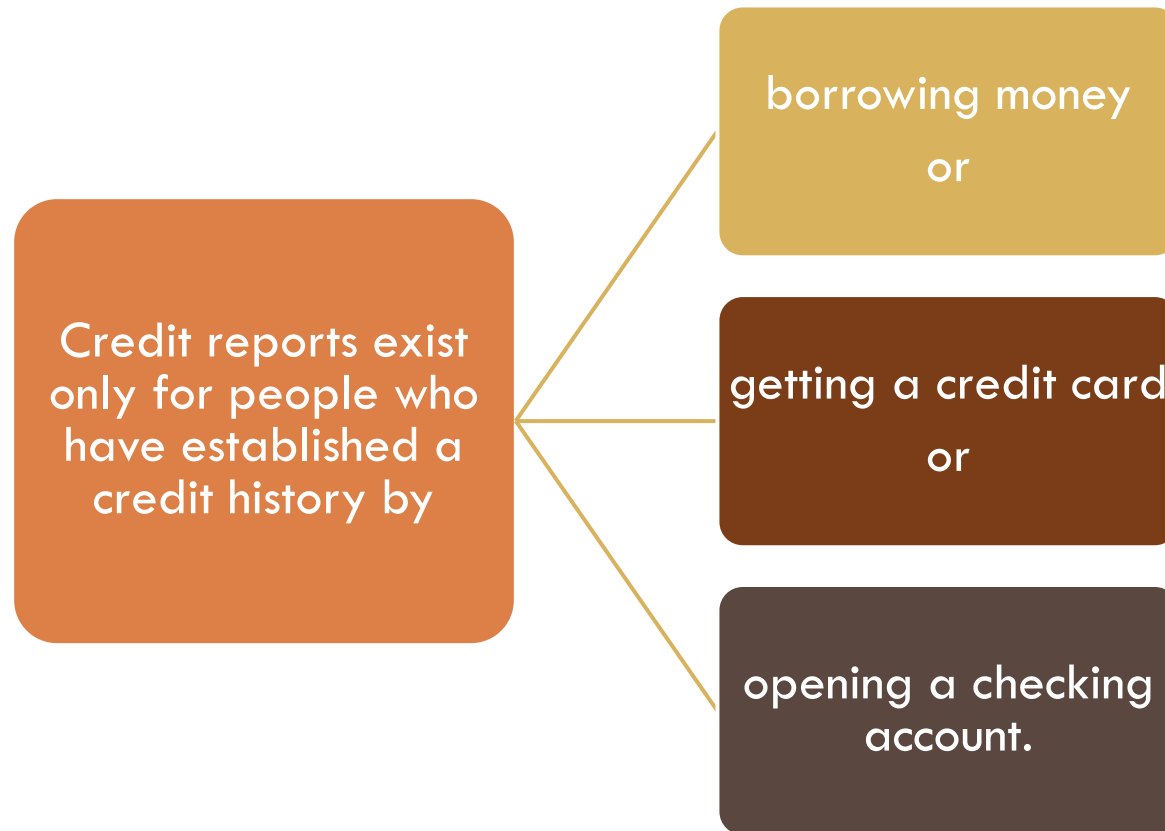
True or False?

23

Everyone over age 18 has a credit report.

FALSE

24



True or False?

25

If you apply for an auto loan, the lender will probably review your credit report.



Lenders almost always will review your credit report.

- Credit-Reporting Agencies



- Visit [AnnualCreditReport.com](https://www.annualcreditreport.com) for a free copy of your credit report.

Spot the Con

27

IMPORTANT INFORMATION: When you order your \$1 Credit Report and free Score here, you will begin your 7-day trial membership in Triple Advantage. If you don't cancel your membership within the 7-day trial period*, you will be billed \$14.95 for each month that you continue your membership. You may cancel your trial membership anytime within the trial period without charge.

Member Login

freecreditreport.com



**Mistakes on your Credit Report
can cost you thousands!**

See if yours is accurate.

**Check your Report for \$1 and get your Score Free!
Plus, we'll donate your dollar to charity.**

Why isn't my Credit Report free?

Due to federally imposed restrictions it is no longer feasible for us to provide you with a free Experian® Credit Report. So for now we'll be charging you \$1 for your Report. But instead of keeping your \$1, we'll donate it to DonorsChoose.org, an online charity providing funds to classrooms in need.



**Errors on your Report
can affect your Score!**

**Click Here
To Review Your Credit Report!**

Certainty

Inaccuracies on your Credit Report can lower your Credit Score, and keep you from qualifying for better interest rates on new loans—check yours often for accuracy.

Immediacy

Not all Credit Reports display the same information, so we monitor all 3 national Reports to help you catch errors that could affect your interest rates on new loans.

Generosity ???

freecreditreport.com believes in giving back to the community. To show our commitment to helping others, we will donate 100% of your dollar to charity.

True or False?

28



When you apply for a job, your prospective employer may review your credit report.

TRUE

29

A prospective employer can review your credit report if you give written authorization.

More and more employers are checking credit reports of potential employees.

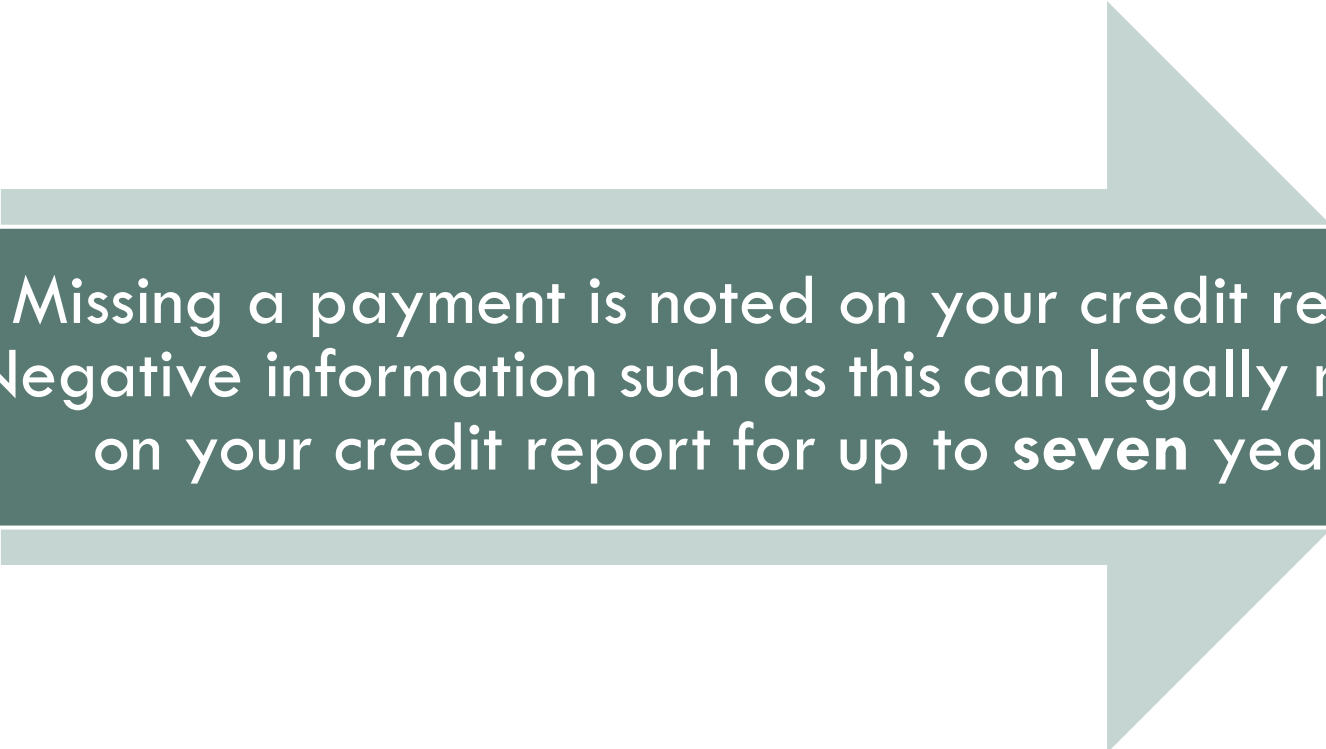
True or False?

30

Missing just one or two credit card payments
will not hurt your credit rating.

FALSE

31



Missing a payment is noted on your credit report. Negative information such as this can legally remain on your credit report for up to **seven** years.

True or False?

32

Credit reports are almost always correct.

FALSE

33

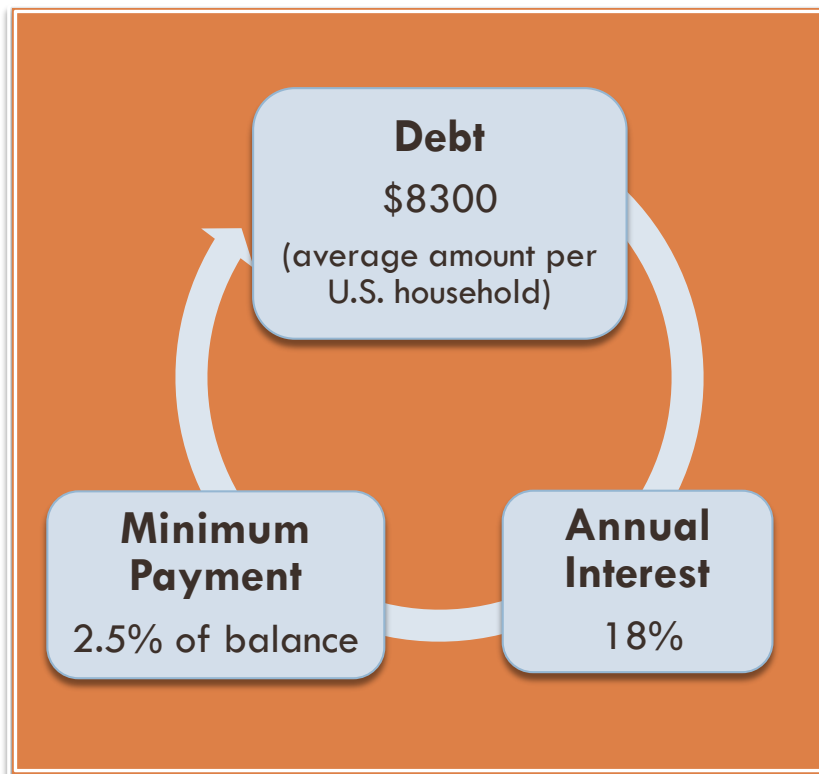


Source: FTC Study

The True Cost of Credit

34

How long would it take to pay off this debt?



- (a) 5 years
- (b) 11 years
- (c) 19 years
- (d) 27 years

Answer: D

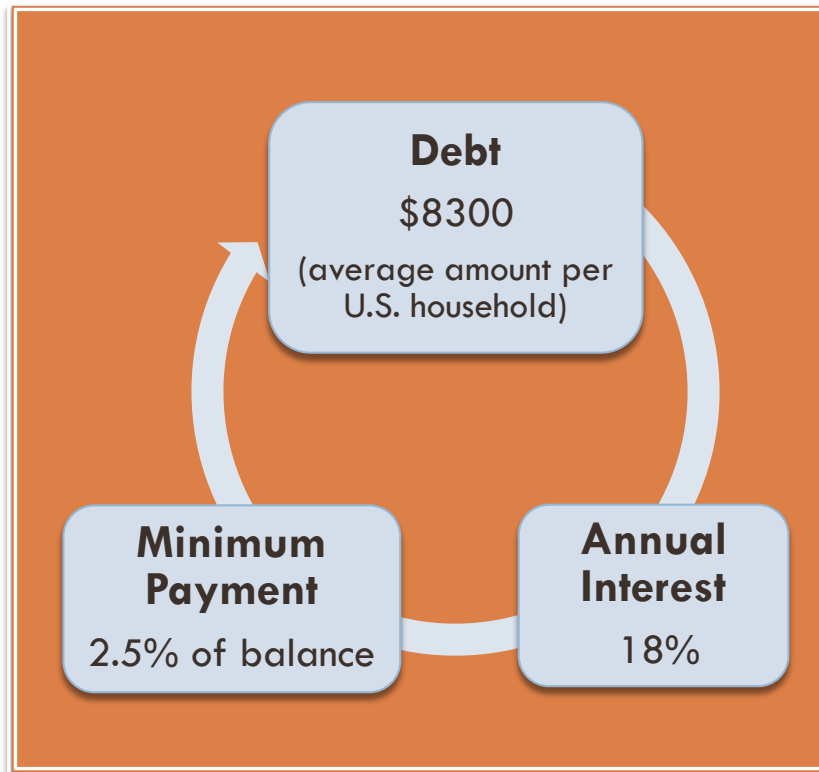
35

It would take
**26 years and
9 months**
to repay the
credit card
debt.

The True Cost of Credit

36

How much interest will you pay over the 27 years?



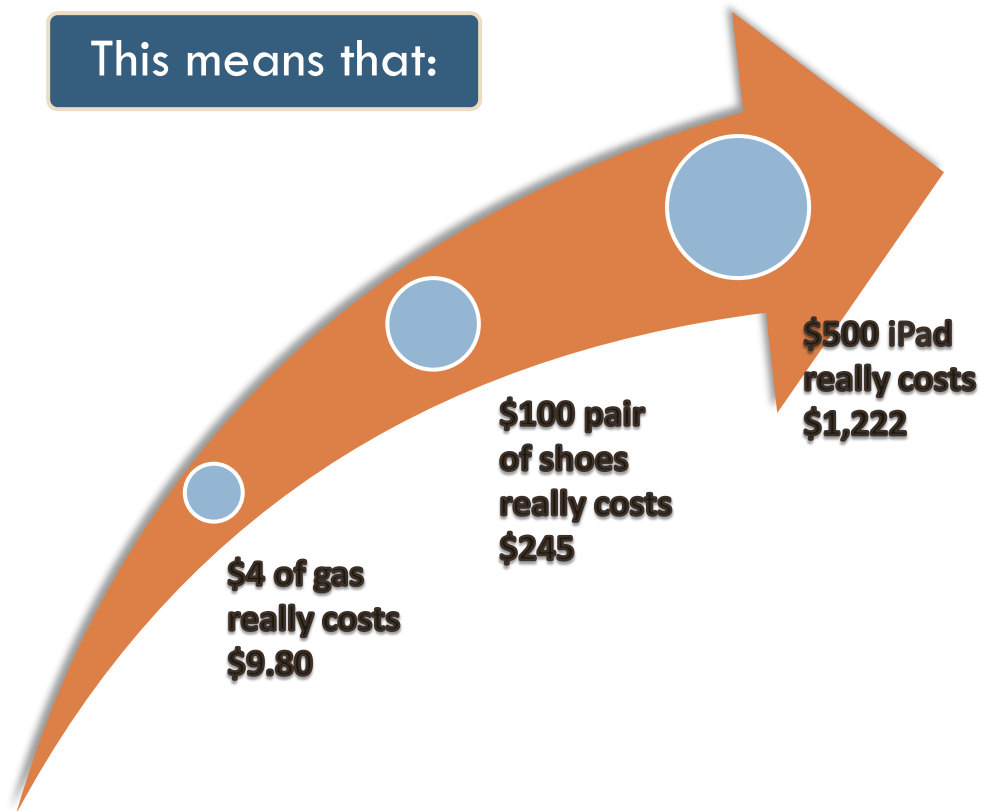
- (a) \$200
- (b) \$5000
- (c) \$12,000
- (d) \$15,000

Answer: C

37

You would pay
\$12,000 of
interest on
\$8300 of
purchases.

This means that:



Tips: Establishing Credit

38

Establish good credit by

Using a checking account
or a debit card

Paying bills in full and on
time



ONLY IF YOU NEED A LOAN, take out a small loan and repay it in a timely manner to establish a good credit record.

Tips: Obtaining a Card

39



If you **really** need a credit card, get only one.



Do not open any new credit card account for the enticing “free gifts”.

Tips: Obtaining a Card (continued)

40

“Shop” for a credit card with the best terms that suit you.

- Read the disclosure.
- Look closely at late fees and penalties.
- Remember that the issuer can change the APR, fees, minimum payment, etc.

- **ANNUAL MEMBERSHIP FEE:** Refer to your statement in the month in which the fee is billed.
- **RENEWING YOUR ACCOUNT:** You may have your annual membership fee credited to your account if you close your account within 30 days from the mailing or delivery date of the statement containing the fee, even if you use your card during that period. You may call the Customer Service number or write to the Customer Service address on your statement during this 30 day period and your account will be terminated; we will credit your account for the amount of the annual fee.
- **ANNUAL PERCENTAGE RATE:** Refer to the Rate Summary section of this statement. Your periodic rates and APRs may vary.
- **RATE AND ACCOUNT SUMMARIES:** The purchase and advance features of this account may be listed in the Rate Summary Section of this statement under the following titles: Standard Purch, Purch/Adv, Standard Adv, and various numbered Offers. The Account Summary section of this statement includes on the PURCHASES line subtotals for all purchase features, and on the ADVANCES line subtotals for all advance features, of the Previous Balance, new Purchases & Advances, Payments & Credits, FINANCE CHARGE and New Balance amounts.
- **PERIODIC RATES:** (D) and (F) indicate a daily periodic rate. (M) indicates a monthly periodic rate.

“Shopping” for a Card

41

Evaluate whether a rewards card is worth any extra fees and costs.

Very **Now.**
Very **Cool.**
Very **You.**

DISCOVER
CARD

- **0%** Intro APR
- No Annual Fee
- Up to **1% Cashback Bonus[®]**



Credit Abuse Resistance Education Program

Tips: Using Your Card

42



Use your credit card
for essential
purchases only (*i.e.*,
needs, not **wants**)
and only for things
you can afford

Always pay the
entire amount due
each month by the
due date



Tips: Using Your Card (continued)

43

Do not max out on your credit limit.

- Always keep your card balance below 30% of your limit.

Do not take cash advances or use “convenience checks”.



Tips: Maintaining Your Card

44

Monitor your monthly statement for interest rate changes and unauthorized charges.

Rate Summary

Days This Billing Period: 031

	Balance Subject to Finance Charge	Periodic Rate	Nominal APR	ANNUAL PERCENTAGE RATE
PURCHASES				
Standard Purch	\$0.00	0.04586%(D)	16.740%	16.740%
ADVANCES				
Standard Adv	\$0.00	0.05956%(D)	21.740%	21.740%

Don't Buy Stuff: Video



Don't Buy Stuff...really.



Thank you for attending.