

Business and Personal Finance © 2012

Chapter 15: Consumer Credit

Check Your Answers: Section Assessment

Section 3

Review Key Concepts

1. Be sure that your card is always returned after a purchase and keep a record of your credit card number separate from your card. You can also only use secure sites for online transactions and pay using PayPal or other secure payment method.
2. Contact the credit bureaus, contact the creditor, and file a police report.
3. Five consumer credit protection laws include the Credit Card Accountability and Responsibility and Disclosure Act, the Truth in Lending and Consumer Leasing Act, the Equal Credit Opportunity Act, the Fair Credit Opportunity Act, the Fair Credit Reporting Act, and the Consumer Credit Reporting Reform Act.

Higher Order Thinking

4. Students should understand that if you dispute information on your credit report and the credit bureau cannot prove it is accurate, then they must remove the information from your report. Prior to the law, the information would have remained on the report until you could prove it was inaccurate.

English Language Arts

5. **Write a Letter** Letters will vary. A sample letter may read: I received my credit card statement for account #0000-0000-0000-0001 on 1/31/10 and noticed a charge of \$26.90 at Department Store XYA. I did not make this purchase and respectfully request that the charge be removed my account.

Mathematics

6. **Credit Card Billing** Interest charge = $(19.00\% / 12) \times \$120 = \1.90 ; Calculated Balance = $\$120 + \$45 + \$25 + \$20 + \$1.90 = \211.90 ; Balance variance = $\$225.35 - \$211.90 = \$13.45$; There is a discrepancy of \$13.45 on the statement.