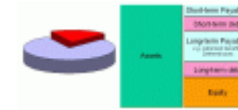


1. How many credit cards does the average American family have?  
a) 6. b) 8. c) 11.
2. Nearly 144 million Americans have general-purpose credit cards.\* Approximately how many of them pay off their bill in full each month?  
a) 55 million. b) 90 million. c) 115 million.
3. Approximately how many Americans pay only the minimum payment required each month?  
a) 15 million. b) 35 million. c) 50 million.
4. The industry jargon for someone who pays his or her bill in full every month is:  
a) a deadbeat. b) a revolver. c) a gamer.
5. The credit card debt that the average American family carries is approximately:  
a) \$2,500. b) \$8,000. c) \$13,000.
6. How much notice must a credit card company give its customers when changing the terms of the cardholder contract?  
a) 60 days. b) 30 days. c) 15 days.
7. Which of the following is likely to trigger the universal default clause in a cardholder's contract (meaning the card issuer can raise your APR automatically)?  
a) You went over your credit limit on another card.  
b) You failed to make a payment to another creditor.  
c) You applied for and received a loan.  
d) All of the above.
8. Who regulates the national banks which issue most of the credit cards in the U.S. (banks such as Chase, MBNA and Citibank)?  
a) The Office of the Comptroller of the Currency.  
b) The Better Business Bureau.  
c) The attorney general in each state.
9. If a person's credit card is stolen -- or the card number is stolen -- and it is used by the thief to charge purchases (nothing else; this is not a case of identity theft) the cardholder is obligated to:  
a) Pay the credit card issuer \$50 maximum.  
b) Pay 5% of the purchases charged by the thief.  
c) Pay the entire amount charged by the thief if the cardholder doesn't notify the credit card company within three days of the theft.
10. What does a high FICO score indicate?  
a) The individual is likely to pay his bills.  
b) The individual is more likely to carry a debt.  
c) The individual is more likely to cancel his credit card and seek a better deal.
11. Why are there no legal limits on the amount of interest and fees that banks can charge for a credit card?

- a) Some states allow higher interest and fees than others.
  - b) Two U.S. Supreme Court decisions permit banks to charge what the market will bear.
  - c) State usury laws permit them to do so.
- \* General-purpose credit cards include Visa, Mastercard, American Express and Discover.



## Answers

- 1 The average American Family has 8 credit cards.
- 2 55 million Americans pay off their credit card bill in full each month.
- 3 35 million Americans pay only the minimum payment required each month.
- 4 The credit industry's jargon for someone who pays his or her bill in full every month is "a deadbeat."
- 5 The average American family carries a credit card debt of roughly \$8,000.
- 6 A credit card company must give its customers 15 days notice when changing the terms of the cardholder contract.
- 7 All of the above. The credit card issuer can raise your APR automatically for any of the following reasons: You went over your credit limit on another card; you failed to make a payment to another creditor; you applied for and received a loan.
- 8 The Office of the Comptroller of the Currency, part of the U.S. Treasury Department, regulates the national banks which issue most of the credit cards in the U.S. (banks such as Chase, MBNA and Citibank).
- 9 If your credit card is stolen - or if your card number is stolen - and used by a thief to charge purchases, you are only obligated to pay the card issuer a maximum of \$50.00.
- 10 A high FICO score indicates that the individual is likely to pay their bills.
- 11 There are no legal limits on the amount of interest and fees that banks can charge for a credit card because two U.S. Supreme Court decisions permit banks to charge what the market will bear.