

Credit Matters Quiz

1. A home equity line is a/an _____ form of credit:

- Unsecured/closed-end
- Secured/Open-end
- Unsecured open-end

2. Which of the following is true about general purpose credit cards?

- They can be used at department stores, gas stations, and restaurants
- The balance must be repaid in full by the due date
- They are secured by a cash deposit

3. When considering you for a line of credit, the financial institution will assess:

- Your past payment history
- Where you live
- The number of people in your household

4. When shopping for credit, it is a good idea to look for a card with:

- A short grace period
- A high APR
- No application fee

5. One of the recommended methods to use credit wisely is:

- Limiting the number of accounts you have
- Never using credit cards
- Borrowing no more than \$5,000 at a time

6. If you do not pay the balance on a cosigned account, the cosigner is responsible for ____ of the debt:

- Zero percent
- 50 percent
- 100 percent

7. A good debt repayment strategy is to:

- Get a car title loan
- Not pay for six months, then ask for a settlement
- Pay more than the minimum required payment

8. Using home equity to repay debt can be a good option if:

- You regularly spend more than you earn
- You do not get into debt again
- The lender offers it as a solution to your debt problems

9. Which law limits your liability for a lost or stolen credit card to \$50 if you notify the card issuer within 30 days?:

- FDCPA
- FCBA
- Credit CARD Act

10. Most creditors cannot take any of your wages, money, or property unless they have:

- First won a legal judgment
- Notified you that they intend to sue
- Proof that you committed fraud