

UNDERSTANDING A CREDIT CARD STATEMENT

	Total Points Earned
15	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Refer to the provided credit card statement to answer the following questions.

1. What is the current APR for purchases, balance transfers, and cash advances? (3 points)

2. What was the total amount of interest charged for this billing cycle? How much of this interest was charged to purchases? How much of this interest was charged to cash advances? (3 points)

3. What was the total amount of fees charged for this billing cycle? What were these fees charged for? (2 points)

4. Are there any changes to the terms of the account? If so, what are the changes? (2 points)

5. What will happen if the credit card bill is not paid on time this month? How will this affect future purchases? (2 points)

6. The cardholder pays the minimum payment of \$53.00 this month and makes no new purchases during the next billing cycle. What will be the new credit card balance during the next billing cycle if the cardholder has a \$10.27 interest charge for the month? (1 point)

7. How much of the credit limit is left for this credit card? Can this full amount be charged to the credit card? (2 points)

CREDIT CARD STATEMENT

Summary of Account Activity	
Previous Balance	535.07
Payments	-450.00
Purchases	+529.57
Balance Transfers	+785.00
Cash Advances	+318.00
Past Due Amount	+0.00
Fees Charged	+34.45
Interest Charged	+10.89
New Balance	\$1,749.53
Credit Limit	\$2,000.00
Available credit	\$250.47
Statement closing date	3/22/2012
Days in billing cycle	30

Payment Information		
New Balance		\$1749.53
Minimum Payment Due		\$53.00
Payment Due Date		4/20/12
Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 fee and your APR's may be increased up to the Penalty rate of 28.99%		
Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example...		
If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	10 years	\$3,284
\$62	3 years	\$2,232

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
XXXX1	2/22	2/23	Store #1	\$529.57
XXXX2	2/25	2/26	Payment	\$450.00 -
XXXX3	2/26	2/26	Cash Advance	\$318.00
XXXX4	3/15	3/17	Balance Transfer	\$785.00
Fees				
XXXX6	2/27	2/27	Balance Transfer Fee	\$23.55
XXXX7	2/28	2/28	Cash Advance Fee	\$10.90
Total Fees for this Period				\$34.45
Interest Charged				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
Total Interest for this Period				\$10.89
2012 Totals Year-to-Date				
Total fees charged in 2012			\$55.14	
Total interest charged in 2012			\$18.27	

Interest Charge Calculation			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$512.14	\$6.31
Cash Advances	21.99%	\$253.50	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

Important Changes to Your Account Terms

The following is a summary of changes that are being made to your account terms. For more detailed information, please refer to the booklet enclosed with this statement. These changes will impact your account as follows:

Transactions made on or after 4/9/12: As of 5/10/12, any changes to APR's described below will apply to these transactions.

Transactions made before 4/9/12: Current APRs will continue to apply to these transactions.

Revised Terms, as of 5/10/12

APR for Purchases	16.99%
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