

## SpeedSmarts Round 5

### Fact or Fiction – Pick a Card, Any Card

5A

On your scorecard, circle the number of each question your team answered correctly.



**FACT**

**or**

**FICTION**

1–2–3–4–5–6–7–8–9–10–11–12



Directions:

This round of SpeedSmarts requires your team to demonstrate knowledge about choosing your **first credit card**. I will read twelve statements. Your team must decide if each statement is **FACT** or **FICTION**. Your team may confer and the captain will give the team's answer after each statement is read.

I will verify your answers as correct or incorrect. You have **five** minutes to complete this round. At the end of this round, your coach will verify your score and a new expert will move to your table.

#### TEAM STATEMENTS – PICK A CARD, ANY CARD

1	To get your first credit card you may be asked for a security deposit.
2	Maxing out your card is a bad idea.
3	The percentage of available credit you use is called your credit score.
4	A secured credit card and a prepaid debit card are the same thing.
5	If you always make on-time payments and spend well below the card's limit, you could establish good credit within a matter of months.
6	Before you apply, credit card issuers are required by federal law to publicly disclose certain terms, such as interest rates and fees, in what's called a Pelosi Box.
7	Getting rejected for a credit card is a bummer, but you can learn from it if you request the card issuer tell you why credit was refused.
8	The cream-of-the-crop credit cards are available only to applicants with good or excellent credit, longer credit histories, and who meet income requirements.
9	Falling behind on payments for a secured credit card could mean losing your deposit.
10	To build your credit rating it is recommended that you pay only the minimum payment each month on your credit card.
11	Regardless of how high your credit card APR is, you don't have to pay a dime of interest if you pay your credit card bill in full every month.
12	If you pay your bill 90 or more days late, your payment will also be recorded as late on your credit reports, hurting your credit scores.

## SpeedSmarts Round 5

### KEY Fact or Fiction – Pick a Card, Any Card

5B

KEY – PICK A CARD, ANY CARD		
1	FACT	To get your first credit card you may be asked for a security deposit. <i>Your credit limit is usually equal to your deposit.</i>
2	FACT	Maxing out your card is a bad idea. <i>It is recommended that you keep your balance under 30% of your available credit at all times.</i>
3	FICTION	The percentage of available credit you use is called your credit score. <i>The percentage of available credit you use is called your credit utilization ratio.</i>
4	FICTION	A secured credit card and a prepaid debit card are the same thing. <i>With prepaid debit cards, you load money onto the card and purchases are deducted from the balance. With secured credit cards, you'll have to make monthly credit card payments and it affects your credit.</i>
5	FACT	If you always make on-time payments and spend well below the card's limit, you could establish good credit within a matter of months. <i>At that point, your issuer might upgrade the account to a regular unsecured card.</i>
6	FICTION	Before you apply, credit card issuers are required by federal law to publicly disclose certain terms, such as interest rates and fees, in what's called a Pelosi Box. <i>This information is displayed in the Schumer Box, named after Senator Chuck Schumer.</i>
7	FICTION	Getting rejected for a credit card is a bummer, but you can learn from it if you ask the card issuer to tell you why credit was refused. <i>You do not need to request the reason for denial. Card issuers are required by federal law to send you an explanation for their decision, called an adverse action notice.</i>
8	FACT	The cream-of-the-crop credit cards are available only to applicants with good or excellent credit, longer credit histories, and who meet income requirements. <i>You'll likely have to start smaller with your first credit card, with a product geared toward people with limited or no credit history.</i>
9	FACT	Falling behind on payments for a secured credit card could mean losing your deposit. <i>You should always make on-time payments and spend well below the card's limit.</i>
10	FICTION	To build a good credit rating it is recommended that you pay only the minimum payment each month on your credit card. <i>When you pay only the minimum, you aren't making much of a dent in your actual credit card debt. Paying your bill in full helps you avoid fees.</i>
11	FACT	Regardless of how high your credit card APR is, you don't have to pay a dime of interest if you pay your credit card bill in full every month. <i>That's because of your card's grace period.</i>
12	FICTION	If you pay your bill 90 or more days late, your payment will also be recorded as late on your credit reports, hurting your credit scores. <i>Paying 30 or more days late, your payment will be recorded as late and could affect your credit score.</i>