

Business Basics: Careful with Credit

Length: 20 minutes, © Teacher's Video Company

Audience: 7th grade to adult

Business Basics: Careful with Credit provides a quick overview of credit card basics. Basic credit card terminology, the importance of credit ratings and credit reports, and common charges associated with credit card statements are discussed.

Business Basics: Careful with Credit

- I. Credit Card Basics
 - A. Statistics on current debt
 - B. How consumers get in trouble
 - C. Credit card statements
 - 1. Minimum due
 - 2. Other fees
 - 3. Credit limit
 - D. Advantages
 - 1. Hotel reservations
 - 2. Car rentals
 - 3. Over phone transactions
 - 4. Emergencies

- II. Credit Reports
 - A. Credit bureaus
 - B. Credit ratings
 - C. How to get a good rating
 - 1. Open checking/savings account
 - 2. Installment loans held with collateral and/or cosigner
 - 3. Principal

- III. Getting a Credit Card
 - A. Compare terms
 - 1. Interest rates
 - 2. Method of interest calculation
 - 3. Application fees
 - 4. Membership fees
 - 5. Prepayment penalties
 - 6. Late payment fees
 - 7. Over limit fees
 - B. Beware of these offers
 - 1. Low introductory interest rate offers
 - 2. Six months same as cash
 - C. Other tips
 - 1. Know the card's grace period
 - 2. Enter credit card purchases in check register
 - 3. Call to request lower interest rates
 - 4. Check credit report regularly