
READING A CREDIT CARD STATEMENT



Refer to the 2010 credit card statement to answer the following questions.

1. What is the total credit line on this credit card? _____
2. How much credit is currently available? _____
3. What is the total amount of purchases made this month? _____
4. What is the minimum amount that must be paid this month to avoid penalty? _____
5. By what date must the minimum payment on this bill be paid? _____
6. How many days were in the billing cycle this month? _____
7. What was the previous balance on this bill? _____
8. How much of the previous balance was paid off last month? _____
9. How much interest was incurred on the previous balance? _____
10. What is the annual percentage rate (APR) on new purchases? _____
11. Is the annual percentage rate (APR) fixed or variable? _____
12. If the minimum payment is not received by the due date, what penalties will be incurred? _____
13. If only the minimum payment is made each month, how long will it take to pay off the balance? _____
14. If only the minimum payment is made each month, about how much in interest will end up being paid on the original balance? _____
15. What number would you call for information on credit counseling services? _____

Compare the 2009 and 2010 credit card statements. List five differences between the two statements.

1. _____
2. _____
3. _____
4. _____
5. _____

KEY TERMS

Total credit line

The maximum amount that can be charged.

Total available credit

Total credit line minus the new balance.

Cash limit

Maximum amount that can be used for a cash advance.

Cash available

Cash limit minus new balance.

Amount past due

Any amount that was not paid on time.

Statement closing date

The date of the last purchase billed on this statement.

New balance

What is now owed.

Payment due date

Date by which the minimum payment must be made.

Minimum payment

The least amount that must be paid to avoid penalty.

Previous balance

Last month's balance.

Payments

How much was paid in the last billing period.

Other credits

Any refunds posted to the account in the last billing period.

Purchases

Total amount spent in this billing cycle; this is itemized in another part of the statement.

Cash advances

Amount charged to this account for cash received.

Other fees

Late fees or other service charges.

Finance charge

Interest incurred on previous balance.

Grace period

Time when no interest is charged on new purchases if the new balance is paid in full by the payment due date.