



Credit Card Basics

<u>Annual Percentage Rate (APR)-</u>	The annual interest rate the card holder is charged if the balance isn't paid in full each month. Calculated based on credit history and credit score.
<u>Introductory APR-</u>	A low APR that is offered as an incentive for borrowers to sign up for a specific card. It will rise to a normal APR after a certain time period.
<u>Annual Fee-</u>	A yearly fee the card holder is charged for using the card. Not all cards have annual fees, so be sure to research which do.
<u>Late Payment Fee-</u>	The fee charged for making a payment past the due date.
<u>Cash Advance Fee-</u>	The fee charged for taking out a cash loan from your credit card.
<u>Available Credit-</u>	The amount of credit available on your card. Initially based on credit history and credit score. Increases in credit line are determined by the credit card company.
<u>Credit Card Utilization-</u>	A percentage calculated using the current card balance divided by available credit. A higher percentage will negatively affect credit score. Ex: \$500 balance/\$1000 available credit = 50%
<u>Minimum Payment Due-</u>	The monthly payment due on the credit card. Usually calculated as a percentage of the current total balance.



Credit Card Comparison Activity

1. Rank the Criteria you're looking for in a card. 4 is the most important, 1 is the least.

Rank	Criteria
4	
3	
2	
1	

2. **Choose 3-4 Credit Cards to compare and list them in the top of the chart**
3. If the credit card has the corresponding criteria, place the corresponding number in that box, if it doesn't, put a zero.
4. **Add up the total at the bottom. Choose the credit card with the highest number.**

Credit Card →				
Criteria ↓				
4				
3				
2				
1				
Total				