

Name \_\_\_\_\_

Period \_\_\_\_\_

## **Vocabulary Credit Responsibility Student Worksheet**

**1. Minimum Monthly Payment:**

**2. Over Credit Limit Fee:**

**3. Bankruptcy:**

**4. Charge-off (Write-off)**

**5. Credit record:**

**6. Default:**

**7. Garnishment**

## Vocabulary Credit Responsibility Teacher Key

- 1. Minimum Monthly Payment:** The smallest payment you can make and still be in good standing. The most expensive way to pay your credit card bills.
- 2. Over Credit Limit Fee:** A fee paid if you charge over your approved credit limit.
- 3. Bankruptcy:** Legal proceeding in which an individual or business is. Allowed to discharge all debts and liabilities.
- 4. Charge-off (Write-off):** Action taken by a creditor on an account the borrower is unable to repay. Usually results in negative lines on a credit report for at least seven years.
- 5. Credit record:** National grading system filed by consumer's, birth date, and social security number. For-profit companies providing these services include:
  - Experian (888)397-3742, [www.experian.com](http://www.experian.com)
  - Transunion (800)916-8800, [www.transunion.com](http://www.transunion.com)
  - Equifax (800)685-1111, [www.equifax.com](http://www.equifax.com)
- 6. Default:** A loan goes into default when the borrower misses a payment, has a late payment, goes over the credit limit, or bounces a payment check. It usually triggers a high APR.
- 7. Garnishment:** Your employer pays your creditor a portion of your paycheck before you receive it. (Not a good way to impress your employer!)