

Chapter 3 Quiz

Understanding Credit

**** To receive credit for the following assignment, the quiz, along with the Integrity Statement MUST be filled out in its entirety and signed. The completed quiz may be sent through email to, ddavis@urbanleagueok.org or may be faxed to (405) 427-3647. Please allow up to 24 hours on business days for a response regarding assignment grades and at least 48 hours on weekends and holidays. ****

1. The type of credit account that has a fixed number of payments in
 - a. An installment account
 - b. A revolving account
 - c. A joint account
 - d. An open account
2. Credit cards are best used for
 - a. Purchasing a car
 - b. Short-term debt
 - c. Long-term debt
 - d. Getting cash advances
3. The Equal Credit Opportunity Act requires lenders to disclose the reason for denying a loan
 - a. Within 30 days
 - b. Within 10 days
 - c. Upon request from borrower
 - d. In the letter denying the loan
4. On a credit report, an account status of "1" means
 - a. The account is past due
 - b. The account is paid as agreed
 - c. The account is a judgement
 - d. The account has been charged off
5. According to the ECOA, a lender cannot ask your marital status
 - a. Under any circumstances
 - b. If you live in a community property state
 - c. Unless you are using real property that could be jointly owned as collateral

- d. Unless you are subject to VA loan qualifications
6. Most credit reports will include information on
- a. Your payment history from credit and installment loans
 - b. Public reports such as judgements and liens
 - c. Previous addresses and other names you have used
 - d. All of the above
7. Credit scores do not consider
- a. Your payment history
 - b. Types of credit you use
 - c. Length of your credit history
 - d. Whether or not you are participating in a credit counseling program
8. Credit score allow lenders to assess the risk that someone will pay them back based on
- a. Subjective criteria which used to be referred to as “character”
 - b. A credit history report that you have no control over
 - c. An individual’s own documented credit behavior
 - d. Information that has been on the credit history three to seven years
9. Your credit history includes information
- a. Only about credit amounts in your name
 - b. About your credit accounts and those of your spouse if you are married
 - c. About your credit accounts and any accounts you hold jointly with another person
 - d. About your credit accounts, accounts you hold jointly and accounts on which you have cosigned for another person

Integrity statement

My signature below constitutes my pledge that all of the writing is my own work, with the exception of those portions which are properly documented.

Name (printed)

Date

Signature

Date