

Activity 1

PART 1: READING YOUR STATEMENT



Each month the bank that issued the credit card will send you a credit card statement. This may be mailed to you or can arrive as an email statement, based upon your personal preferences. The statement will include all of the key pieces of information about the status of your account. Use this sample to learn more about the information provided on a credit card statement. Fill in the letters to identify each part of the sample statement defined below.

	ACCOUNT NUMBER 1234 2345 3456 4567	STATEMENT CLOSING DATE 6/30/19	PAYMENT DUE DATE ← C 7/23/19			
	CREDIT LIMIT \$2,000	AVAILABLE CREDIT \$1555.40	PREVIOUS BALANCE \$390			
L →	CASH ADVANCE LIMIT \$500	MINIMUM PAYMENT DUE \$6.60	NEW BALANCE ← A \$444.60			
	STATEMENT SUMMARY	FINANCE CHARGE SUMMARY	G ↓			
K →	-PAYMENTS	\$180	ANNUAL PERCENTAGE RATE			
	+PURCHASES & OTHER CHARGES	\$230	Purchases 12.00%			
J →	+CASH ADVANCES	\$0	Cash Advances 20.00%			
H →	+FINANCE CHARGES	\$4.60	DAILY FINANCE CHARGE RATE			
I →	+LATE FEE	\$0	Purchases .03287%			
A →	=OUTSTANDING BALANCE	\$444.60	Cash Advances .05479%			
F →	THIS MONTH'S ACTIVITY		↑ D			
	TRANS. DATE	TRANS. POST	REFERENCE #	DESCRIPTION	CREDITS	CHARGES
	2-Jun	5-Jun	987654321A	Game Store		\$25.00
	9-Jun	9-Jun	123456789B	Video Store		\$45.00
	16-Jun	16-Jun	987654321C	Restaurant		\$105.00
	24-Jun	24-Jun	123456789D	Gym membership		\$40.00
	23-Jun	24-Jun	098765432E	Payment	\$180.00	
	25-Jun	28-Jun	121212121F	Annual Fee		\$15.00
				↑ E		

— **Annual fee:** the amount of money the credit card issuer charges you each year for having the credit card account.

— **Annual percentage rate:** yearly interest rate you pay on the outstanding balance.

— **Cash advance limit:** the total amount of money you are allowed to take from the account in the form of cash and have outstanding at any point in time.

— **Cash advances:** money you obtain in the form of cash through the use of an ATM or bank.

— **Daily finance charge rate:** interest rate you pay each day on the outstanding balance.

— **Finance charges:** interest payment charged to you for the statement period.

— **Late fee:** a penalty you are charged for not making your minimum payment by the established payment due date.

— **Minimum payment due:** based on a percentage of the total balance, this is the least amount you can pay to keep your account in good standing.

— **Outstanding balance:** total amount of money you owe; it helps determine the finance charge you will pay.

— **Payment due date:** date by which the credit card company must receive your payment.

— **Payments:** the amount you paid on the last credit card statement you received and any other payments you may have made since the last statement.

— **This month's activity:** a brief history showing purchases made with the credit card since the last statement.

LATE PAYMENT WARNING: If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to \$37 and your APRs may be increased up to the variable Penalty APR of 29.99%.

MINIMUM PAYMENT WARNING: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on the statement in about...	And you will end up paying an estimated total of...
Only the minimum payment \$14.00	9 years, 5 months 3 year(s)	\$742.00 \$531.00