

Pre-Test: To Your Credit

1. What is credit?

- a. Free money
- b. Money you borrow
- c. The amount of money in your checking account
- d. Cash you save for an emergency

2. Which of the following describes why credit is important? Select all that apply.

- a. So you will have funds in case of an emergency
- b. So you can shop without carrying large amounts of cash
- c. So you can pay for a large purchase over time
- d. How you manage it may affect your ability to obtain a job, housing, and car insurance

3. Which online source is the only one authorized by the Federal Trade Commission (FTC) to provide you with a free copy of your credit report?

- a. www.annualcreditreport.com
- b. www.freecreditreport.com
- c. www.creditreport.com
- d. www.creditcentral.com

4. Which of the following does show on your credit report?

- a. Income
- b. Race
- c. Checking account balance
- d. Current and previous employers

5. Which of the following describe the purpose of a credit report and how is it used?

- a. It is a record of how you have paid your debts
- b. It may help you get a job, housing, or insurance
- c. It may affect the amount you pay for a security deposit on housing or utilities
- d. It may help you get a loan
- e. All of the above

6. Who should you contact if you find an error on your credit report?

- a. The credit reporting agency and perhaps also the company that reported the error
- b. The credit card issuing company
- c. Your bank
- d. All of your creditors

7. Which is NOT a way to build a credit history?

- a. Obtain a small loan or get a cosigner for a loan
- b. Get credit at a local store
- c. Borrow the credit card of someone with good credit
- d. Pay bills on time

8. Which of these is true about repairing your credit history?

- a. You can remove accurate information if it is bad
- b. You can create a new identity and start over
- c. You will not have to pay any more of your bills
- d. It can take years to repair your credit history

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1. Select all that apply. Your credit score may impact your ability to:
 - a. Apply for a loan or other form of credit
 - b. Apply for a job
 - c. Apply to rent an apartment
 - d. Open accounts, with utility companies for example

2. Which of the following are ways you can build a credit history if you do not already have one? Select all that apply.
 - a. Obtain a small loan
 - b. Establish credit at a local store
 - c. Get a cosigner for a loan
 - d. All of the above

3. Identity theft occurs when thieves steal your personal information (e.g., your Social Security number, birth date, or credit card numbers).
 - a. True
 - b. False

4. Which of the following are the best and safest options for repairing your credit history?
 - a. Do it yourself
 - b. Use a Housing and Urban Development (HUD)-certified credit counseling agency
 - c. Use a credit repair company
 - d. a and b

5. Which of these is true about repairing your credit history?
 - a. You can remove accurate information if it is bad
 - b. You can create a new identity and start over
 - c. It can take years to repair your credit history
 - d. You will not have to pay any more of your bills

6. Which of the following accurately describe the implications of good and bad credit scores? Select all that apply.
 - a. You are more likely to get a lower interest rate if your credit score is high
 - b. You are more likely to pay a higher interest rate if your credit score is high
 - c. It is easier to borrow money if your credit is good
 - d. It is easier to borrow money if your credit is bad

7. Unless you have a circumstance that allows you to obtain it more often, under the Fair Credit Reporting Act (FCRA), how often can you get a free credit report from each of the three major credit reporting agencies?
 - a. Every 3 months
 - b. Every 12 months
 - c. Every 6 months
 - d. Every 24 months

8. Why should you check your credit report annually?
 - a. To identify and dispute any errors or inaccurate information
 - b. To ensure you have not become a victim of identity theft
 - c. To make sure your credit history is accurate before applying for a loan
 - d. All of the above

Post Test Score ____ out of 8 _____%