

Clarifying the Cost of Credit

1. What costs do creditors have to pay in order to offer credit to consumers?
2. Under the Truth in Lending Act, what information must creditors provide to consumers?
3. What is APR?
4. What three factors impact the total finance charges paid when a consumer uses credit?
5. How can knowing the factors that impact finance charges help you impact the total finance charge?
6. Why is it important to understand the costs of credit before using credit?