

43-Credit

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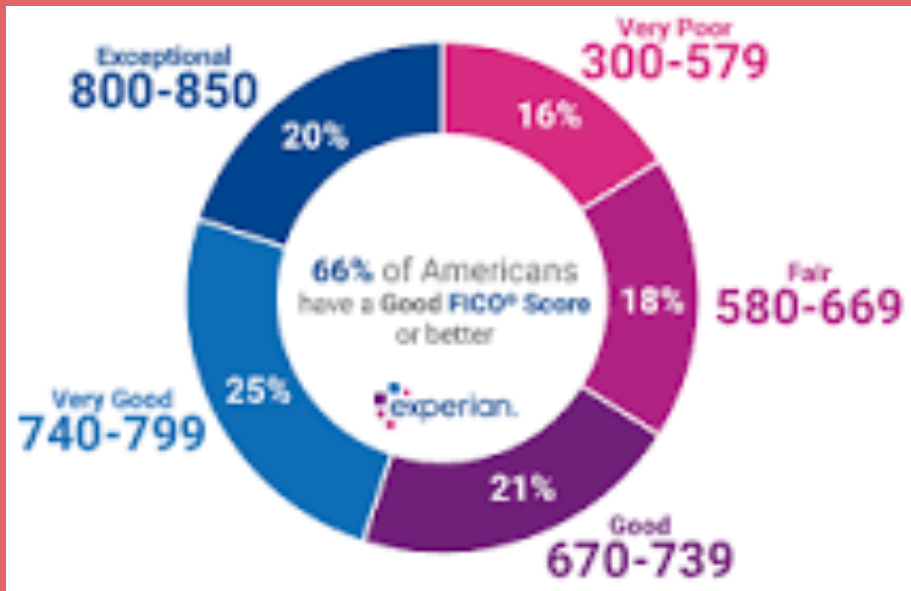
Credit-the amount of money a person is able to borrow

Percentage rates-the amount of extra interest that a person will owe on the money they have borrowed

APR-Annual Percentage Rate



Credit Scores



Credit report-a detailed analysis of a person's credit history that determines how much they can borrow and at what interest rates

FICO-the company that creates the credit scores used by most companies

Cost of Money

Interest-the cost of borrowing money (or the profit from lending money)

Compound interest-interest that creates more interest over a period of time (a very effective way to make money over the long term OR to owe massive debts)



Types of Loans



Loan-a sum of money that is borrowed and must be paid back plus interest

Mortgage-a loan to purchase a house

Lease-a rental agreement for property

Consumer Protections

Fair Credit and Billing Act-law passed by Congress in 1974 to protect consumers from false charges and mistakes on credit card bills

Consumer Financial Protection Bureau-executive agency created in 2010 to protect consumers from financial schemes and unfair treatment





Other Protections

NC Lemon Laws-allows NC consumers to receive a replacement or the full price for new vehicles purchased within the past 24 months if they cannot be repaired

Better Business Bureau-organization that works to ensure good relations between businesses and consumers