

CHAPTER 25 ACTIVITY
Basic Concepts

Directions: Select the terms from the list that will make the statements correct, and write them in the blanks. Some terms may be used more than once.

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|------------------------|-----------------|--------------|
| acceleration clause | credit | money |
| account | creditors | name |
| annual percentage rate | debit card | pay |
| attachment | debtors | privilege |
| balloon payment | default | repaid |
| bankruptcy | finance charges | repossess |
| bill consolidation | garnishment | secured |
| billing error | goods | unsecured |
| borrowers | interest | stop payment |
| collateral | loan sharking | usury |
| company | lost | value |

- Using _____ means buying _____ or services now in exchange for a promise to _____ in the future.
- Creditors with a judgment against a consumer may collect their money by _____, in which the court orders the debtor's employer to withhold a portion of the debtor's wages, or by _____, which is a court order that forces a bank to pay the creditor out of a consumer's account.
- Under _____, borrowers combine all their debts into a single debt, but many times the overall cost is much higher.
- By law, _____ must inform _____ in writing and before the _____ signs a contract about (1) _____ and (2) _____.
- People who lend _____ or provide credit are called _____.
- People who borrow money or buy on credit are called _____.
- If _____ declare Chapter 7 _____ in federal court, the court will relieve them of much of their debt.
- _____ are the additional money over the amount borrowed for the _____ of using credit.

CHAPTER 25 ACTIVITY
Basic Concepts (continued)

9. Finance charges are based on _____ and other fees.
10. A(n) _____ is the amount due when a consumer is required to make the last payment on a loan that is much larger than the normal payment and a(n) _____ is the part of a loan repayment when the creditor can make the entire amount of the loan due in one payment for a borrower who misses one payment.
11. If borrowers post collateral when they take out a loan, creditors can _____ the collateral if the debtors fail to pay as agreed.
12. Two types of credit are _____ and _____.
13. Secured credit requires consumers to put up some property of _____ called _____ as protection in the event the debt is not _____.
14. _____ who do not make their required payments are said to _____ on their loan.
15. Janie got a notice that the local computer store was suing her for failing to make her payments. She ignores the court notices. The store will be able to obtain a _____ judgment.
16. For protection, any person with credit cards should keep the following information: the _____ of the _____ issuing the card; the _____ number on each card; and the name to call if the card is _____ or stolen.
17. If lost or stolen, you have greater risk of liability with a _____ card rather than a _____ card.
18. If you lose your check book, you should notify the bank and request an order for _____.
19. A consumer may borrow money at high rates that violate the state's _____ law in a practice known as _____.