

Credit Reports and Scores

	Total Points Earned
24	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Match the following definitions with the correct terms by placing the appropriate letter on each blank provided. (1 point each)

- | | |
|--|----------------------|
| <p>1. _____ A <u>record</u> of the borrower’s past loan and credit-related transactions.</p> | a. Tax Lien |
| <p>2. _____ A loan of a certain amount of money that a borrower must repay in a specified number of equal payments.</p> | b. Open-end Credit |
| <p>3. _____ When goods, services, and/or money is received in exchange for a promise to pay back a definite sum of money at a future date.</p> | c. Credit |
| <p>4. _____ A person or organization who makes funds available to borrow.</p> | d. Closed-end Credit |
| <p>5. _____ A legal claim by a government entity to take an individual’s property or income when their taxes are not paid in full.</p> | e. Credit Report |
| | f. Credit History |
| | g. Lender |

Directions: Place an N on the line if the statement will create negative credit; place a P on the line if the statement will create positive credit. (1 point each)

- 6. _____ Maintaining a reasonable amount of unused credit.
- 7. _____ Routinely paying bills late.
- 8. _____ Numerous credit applications in a short period of time.
- 9. _____ Checking credit reports annually to search for mistakes.
- 10. _____ Having many of the same types of credit accounts.

Directions: Circle the correct letter for each of the following questions. (1 point each)

11. Which of the following is NOT on a credit report?

- a. Late medical payments
- b. Repayment history
- c. Buying habits
- d. Public Records

12. A negative credit report may impact an individual's ability to receive all of the following EXCEPT?

- a. Insurance
- b. Apartment
- c. Loan
- d. A traffic ticket

Directions: Choose from the answer bank to indicate how long each type of information remains on your credit report. Answers may be used more than once. (1 point each)

13. _____ Inquiries

14. _____ Late or missed payments

15. _____ Open accounts considered to be in
"good standing"

16. _____ Medical information

17. _____ Closed accounts

ANSWER BANK

- a. Never on a credit report
- b. Two years
- c. Seven Years
- d. Ten years
- e. Always on a credit report

Directions: Answer the following questions in short answer format.

18. Describe the difference between open-end and closed-end credit and provide an example of each. (4 points)

19. Describe three ways a twenty year old may begin building credit. (3 points)