FINE PRINT: Schumer Box

Excited to open a new credit card account? Not so fast! Make sure you read through the card's Schumer Box, a legally required summary of the most important parts of your credit card agreement, to understand what you're signing up for.

Part I: Read The Fine Print

This sample Schumer Box outlines the terms for a specific credit card. These fees and rates apply to anyone with that credit card. Analyze the sample Schumer Box to answer the questions.

Interest Rates, Interest Charges, and Fees – Platinum Card

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	**0.00%** Introductory APR for the first six months. After that, your APR will be **15.24%** to **23.24%**, based on your creditworthiness. This APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	**15.24%** to **23.24%**, based on your creditworthiness. This APR will vary with the market based on the Prime Rate.
APR for Cash Advances	**25.24%** This APR will vary with the market based on the Prime Rate.
Penalty APR and When it Applies	**30.24%** This APR may be applied to your account if your payment is more than 60 days past the Payment Due Date. **How Long Will the Penalty APR Apply?** The Penalty APR will apply until you make six consecutive minimum payments when due beginning with the payment following the commencement of the Penalty APR. This APR will vary with the market based on the Prime Rate.
Paying Interest	Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances and balance transfers on the transaction date.
Minimum Interest Charge	If you are charged interest, the charge will be no less than $1.00.
For Credit Card Tips from the Consumer Financial Protection Bureau	**To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at http://www.consumerfinance.gov/learnmore/.**

Fees	
Annual Fee	**None**
Transaction Fees	
• **Balance Transfer**	Either **$5** or **3%** of the amount of each transfer, whichever is greater.
• **Cash Advance**	Either **$10** or **4%** of the amount of each cash advance, whichever is greater.
• **Foreign Transaction**	**3%** of the U.S. Dollar amount of each such transaction.
Penalty Fees	
• **Late Payment**	Up to **$35** (Varies by State. See next page for details.).
• **Returned Payment**	Up to **$35** (Varies by State. See next page for details.).

How We Will Calculate Your Balance: We will use a method called "average daily balance (including new purchases)." See your Credit Card Agreement for more details.

Loss of Introductory APR: We may end your introductory APR and apply the Penalty APR if your payment is more than 60 days past the Payment Due Date.

Billing Rights: Information on your rights to dispute transactions and how to exercise your rights is provided in your Credit Card Agreement.
Continued on next page.

1. What is the introductory APR (interest rate) on this card?
    a. 0%
    b. 15.24%
    c. 23.24%
    d. 25.24%

2. Josephine says, "This is a great credit card, because the APR is always 0%!" Which of the following statements is *actually* TRUE?
    a. The 0% APR will change after six months
    b. She will not pay interest on purchases made on the card for the first year
    c. All of Josephine's purchases are free for the first six months
    d. All of Josephine's purchases are free - period.

3. After the introductory period, everyone who has this Platinum Card will…
    a. Pay the same APR
    b. Qualify for an APR based on their creditworthiness
    c. Pay the Penalty APR of 30.24%
    d. Be charged an Annual Fee

4. Jordan accidentally uses his credit card to get $40 in cash from an ATM instead of using his debit card. What happens?
    a. There is no impact
    b. A $10 cash advance fee will be charged ONLY
    c. An APR of 25.24% will be applied on the $40 until it is paid back ONLY
    d. A $10 cash advance fee will be charged AND an APR of 25.24% will be applied on the $40 until it is paid back

5. Which transaction type has the highest APR?
    a. Late payment
    b. Purchases made during the Introductory Period
    c. Balance Transfer
    d. Cash Advance

6. What might cause someone to lose their introductory APR and trigger the Penalty APR?
    a. Making only the minimum payment
    b. Using the full credit limit
    c. Missing a payment by more than 60 days
    d. Applying for another credit card

7. Louisa's APR was 19.99%, with an average balance of $1,000. About how much interest did she pay over the year?
    a. $0
    b. $20
    c. $200
    d. $2,000

8. Devon forgets to pay his credit card bill for three months. Which of the following statements is TRUE?
    a. He will be charged a Balance Transfer fee of $5
    b. He will have to pay a Cash Advance fee of $10
    c. His APR will rise to 30.24% until he pays back the amount he owes
    d. His APR will rise to 30.24% and stay there until he makes six consecutive minimum payments

9. Tamara goes to Italy and purchases $200 of souvenirs using her credit card. How much will she pay in foreign transaction fees?
    a. $0
    b. $3
    c. $6
    d. $35

10. All of the following actions lead to paying a credit card fee EXCEPT…
    a. Using your credit card to get cash from an ATM
    b. Paying your credit card bill in full and on time every month
    c. Using your credit card to purchase items in a foreign country
    d. Paying your credit card bill ten days after the Due Date

Part II: What Did You Learn?

11. List three pieces of information listed in a Schumer Box that someone should review before signing up for a credit card. Explain why you chose these three.