



## **CREDIT CARDS: What you need to know 'Card Shuffle' Learning Activity**

### **Activity Instructions and Answers**

*Quick tips for printing cards:*

1. Print pages 7-14 of this PDF file on 8 ½ by 11-inch paper.
2. Copy double-sided onto card stock to get four sheets with eight cards each.
3. Cut cards out.

### **Activity Description**

The Card Shuffle is a set of 32 cards with questions related to material in Consumer Action's "Credit Cards: What you need to know" educational module. The workshop leader can use the cards in a variety of interactive activities to help reinforce concepts introduced in the module.

### **What's on the cards?**

Every card contains a question that asks for three possible answers. For example "What are three ways that credit cards can be useful?" The challenge for participants is to come up with three answers within the time allotted, say 10 or 20 seconds.

### **How to play?**

Although a suggestion on how to "play" the Card Shuffle activity is described below, workshop leaders are encouraged to be creative in using the learning tool to enhance their workshops.

One way to play the Card Shuffle is to have participants form small groups at the conclusion of a workshop. If participants are sitting at tables, each table can form a group.

The leader can ask a Group 1 participant to shuffle the cards, pick the first card at the top, and read it aloud for the whole class to hear. Then, the other Group 1 participants should be given 10 seconds (or 20 seconds, etc., if preferred) to give 3 acceptable responses. If they provide three acceptable responses, that group scores a point. If they don't, then no points are granted. A scorekeeper should keep track of points.

(Optional: if Group 1 does not come up with 3 acceptable answers in the allotted time, any other group (or just Group 2, if preferred) can get a point (or "steal it") if they provide an immediate correct response.)

Whether or not Group 1 scores a point (and whether or not any another group "steals" a point), the leader should move on to Group 2 for the next question. A representative from Group 2 will

take the next card off the top of the stack and read it aloud for all others to hear. Then the reader's fellow Group 2 participants get a few seconds to answer just as Group 1 did. As before, if the at-play group provides three acceptable responses, that group scores a point. If they don't, then no points are granted. As noted, above other groups might be given the option to "steal" a point.

Whether or not Group 2 scores a point, the leader should move on to Group 3 for the next question. The game then continues as above, until time is up or cards are exhausted. The group with the most points wins.

If available, prize(s) can be given to the winning table, or raffled off to only one or two people at the winning table.

### **Questions with answers**

1. Tell us three things you learned today.

-Answers will vary.

2. What are three teaching tools you will take with you today?

-Training Guide  
-Training Manual  
-PowerPoint Presentation

3. What are three ways in which credit cards can be useful?

-Good for emergencies  
-Establishing a credit history  
-Safer than cash  
-Use for rewards  
-Protection from fraud

4. What are three examples of stored value cards?

-Payroll cards  
-Electronic benefits transfer cards  
-Travel funds cards  
-Store gift cards

5. What are three types of credit card offers you might receive?

-Pre-approved offers  
-Invitations to apply for a card  
-Instant credit offers

6. Name three websites where you can compare credit cards.

-[www.bankrate.com](http://www.bankrate.com)  
-[www.cardtrak.com](http://www.cardtrak.com)  
-[www.cardratings.com](http://www.cardratings.com)  
-[www.cardweb.com](http://www.cardweb.com)

7. Name three “indexes” on which variable interest rates might be based.

- Prime Rate
- LIBOR (London Interbank Offering Rate.)
- Federal Funds Rate

8. What are three ways to pay your credit cards?

- Mail
- Telephone
- Internet

9. What are three items on a credit card bill that you can dispute?

- Fraudulent charge
- Purchase you made that was never delivered.
- Incorrect amount charged

10. What are three types of credit card fees?

- Annual
- Late
- Cash advance

11. What are three ways you might avoid credit card late fees?

- Pay by phone
- Pay online
- Mail payment seven days early
- Set up automatic payments

12. What are three possible reasons for an APR to increase on new transactions?

- Prime rate (or other index) changes on a variable card.
- Late payment
- You mishandle other credit accounts.

13. What are three credit card terms you can compare when shopping for a card?

- Introductory interest rates
- Transaction fees
- Annual or other fees

14. Name three types of rewards that a credit card might offer.

- Cash back
- Airline miles
- Merchandise rewards

15. Name three features that describe pre-paid or stored-value cards.

- Fees to purchase.
- Fees to reload common.
- No interest.
- Won't help build credit.

16. What three steps can you take to ensure proper closing of a credit card account?

- Notify card issuer by phone.
- Notify issuer in writing.
- Verify that credit report indicates account closed upon consumer's request.

17. What are three ways in which a credit card cash advance differs from a credit card purchase?

- Cash advance fee.
- No grace period, interest accrues immediately.
- Higher APR typically.

18. Tell us three reasons why you don't want to mismanage your credit card account.

- Increased APRs
- Unnecessary fees
- Decline in credit score
- Denials of future credit, employment, or insurance.

19. What are three disclosures that must be made with credit card solicitations?

- APR
- Grace period
- Annual Fees
- Transaction Fees
- Balance calculation method.

20. Tell us three things you can learn about your account from your monthly credit card statement.

- APR
- Current balance
- Recent activity
- If carry balance: How long to pay off if send in only minimum payment and make no more charges.
- If carry balance: How much to pay each month if want to pay off current balance within three years.

21. Name three features that distinguish a charge card from a credit card.

- Must pay charge card fully each month.
- No interest on charge card.
- Annual fee common on charge card.
- No pre-set spending limit on charge card.

22. Name three features that distinguish a secured card from a regular credit card.

- Secured card requires deposit.
- Annual fee is common.
- Good option for people with poor or no credit history.

23. Tell us three things about retail credit cards.

- Issued by department stores, gas companies, and other retailers.
- Usually more limited use than general purpose credit cards.
- Can save you money on large purchases.

24. What three things would you want in a teaser rate for it to be a good deal?

- Low interest rate
- Long-lasting.
- Applicable to balance transfers AND purchases.

25. Tell us three things that would make a balance transfer a good idea.

- Low interest rate
- Long-lasting low rate period
- No fee or very low fee
- Covers entire (or most of) amount that you want to transfer.

26. What are three reasons a credit card issuer might impose a penalty interest rate?

- Late payment
- Check bounces
- Credit history deteriorates

27. Tell us three ways to help avoid over-the-limit fees.

- Don't "opt in" to allow over-the-limit transactions and fees.
- Don't get close to your limit. (Use no more than 35% to 50% of available credit line.)  
This is good advice whether or not you opt in to allow over-the-limit transactions.
- Request a credit line increase.
- Ask card issuer whether you can be alerted when approaching your credit limit.
- Be aware of possible credit line holds when renting cars, staying in hotels, etc.

28. What are three free benefits that might be offered with your credit card?

- Zero-liability for unauthorized use.
- Rebates and rewards
- Collision damage waiver (CDW) for rental cars
- Buyer's protection against loss or theft
- Extended warranties on purchases

29. Name any three federal agencies that can serve as resources for credit card users.

- Federal Trade Commission (FTC). (Free publications on credit and consumer rights.)
- Federal Reserve Board (FRB). (Free brochure on choosing credit cards and guide to credit protection laws.)
- Office of the Comptroller of the Currency (OCC). (Supervises national banks.)

30. What are three different types of APRs that might apply to balances on your credit card at the same time?

- Purchase APR
- Cash advance APR
- Balance transfer APR

31. Name three things you might have to provide when making a telephone purchase.

- Card number.
- Expiration date.
- Security code.
- Billing address.

32. In what three ways might subprime credit cards differ from regular credit cards?

- High upfront fees.
- Higher interest rates.
- Lower credit lines.

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