

# Handout A

## T/F Credit Statements

Listen carefully as I read each of the following statements. If you think the statement is true, give me a “thumbs up” sign. If you think the statement is false, give me a “thumbs down” sign.

1. Credit is “free money.”

**(False)**

2. If you buy with credit, you are responsible for paying the money back at a time that is convenient for you.

**(False)**

3. If you buy with credit, you are allowed to pay back as much as you want at a time.

**(False—You have to pay at least the minimum due.**

**Note: Explain to students they can pay as much as they want to, as long as they at least pay the minimum)**

4. Nothing really happens to you if you don’t pay back the amount you spent using credit.

**(False)**

5. There is a report that keeps track of every time you use credit.

**(True)**

6. When you pay back money that you spent through credit, you pay back the exact amount you spent.

**(True and False**

**Note: Tell students you will accept both answers and explain that this is true if you pay back the balance at once, and false if you pay it back over time.)**

7. It is illegal to deny someone a credit card if they apply for one.

**(False)**

8. A cell phone contract is a form of credit.

**(True)**

