



Understanding Credit

The Danger Signs of Credit Problems



Avoid credit problems by learning how to recognize the danger signs of credit. See if you can find them in this list. Put an “X” in front of each danger sign.

- 1. Getting a credit card bill that is much larger than you expected.
- 2. Using a cash advance from one credit card to make a payment on another card.
- 3. Completing every new credit card offer you get in the mail.
- 4. Replacing an old credit card with a high APR (annual percentage rate) with a card that has a lower one.
- 5. Your monthly payments are taking up most of your monthly pay.
- 6. Paying for a new outfit for a job interview with your credit card.
- 7. You forgot to open your loan statement from your credit union and forgot to make the monthly payment.
- 8. Taking out money from your savings account to make a minimum payment on your credit card.
- 9. Having a bill collector call you
- 10. You don't know how much you owe on your credit cards or charge accounts.
- 11. There was a late fee charged on your credit card.
- 12. Receiving a notice that if your loan payment is not paid in 10 days it will go into collections.
- 13. You closed your savings account because you never seemed to have any money in it.
- 14. The low monthly payments on a couch made you decide to buy it.
- 15. Getting a letter that tells you your credit limit has increased on your credit card.