

# Topic 4 - Using Credit to Your Advantage



## How to Read Your Credit Card Statement

**Instructor note:**

Photocopy the activity handout on the following page. Lead a discussion about how to read a credit card statement.

Credit card statement formats vary, but take a look at this sample.

### CARD Statement

<b>A</b>	Account Number	1234 1234 1234 1234		TERESA TORRES
<b>B</b>	Statement Closing Date	11/06/09		123 ANY STREET
<b>C</b>	Credit Line	\$2,100.00		CITY CA 12345
<b>D</b>	Available Credit	\$1,576.80		

  

<b>F</b>	<b>Account Summary</b>	Previous Balance	\$1,686.15		<b>G</b>	<b>Payment Information</b>	New Balance	\$523.20
	- Credits	\$0.00			<b>H</b>	Scheduled Minimum Payment	\$35.00	
	- Payments	\$1,688.15			<b>I</b>	Scheduled Payment Due Date	12/01/09	
	+ Purchases & Other Chgs	\$523.20						
	+ Cash Advances	\$0.00						
	+ FINANCE CHARGE	\$0.00						
	= New Balance	\$523.20						

  

<b>Rate Information</b>	YOU MAY PAY YOUR BALANCE IN FULL AT ANY TIME YOUR RATE MAY VARY ACCORDING TO THE TERMS OF YOUR AGREEMENT NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION ABOUT YOUR ACCOUNT
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Type of Balance	Corresponding ANNUAL PERCENTAGE RATE	Daily FINANCE CHARGE RATE	Average Daily Balance
PURCHASE(S)	19.80%	.05424%	\$.00
CASH ADVANCE(S)	21.80%	.05972%	\$.00

Composite ANNUAL PERCENTAGE RATE 21.80%
**J**
Days in Billing Cycle 25

  

<b>Transactions <span style="color: red;">E</span></b>				
Trans Post	Reference Number	Description	Credits	Charges
10/09	10/09	XXXXXXXXXXXXXXXXXXXX		523.20
10/08	10/09	XXXXXXXXXXXXXXXXXXXX	1,686.15	

Detach an mail with check so that your payment is received no later than the "Payment Due" date. See reverse for important additional information.

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	Account Number	1234 1234 1234 1234		<b>12/01/09</b>
	New Balance	\$523.20		
	Scheduled Minimum Payment	\$35.00		
	Scheduled Payment Due Date	12/01/09		
	<b>Amount Enclosed</b>	\$	<b>K</b>	

  

PAYMENT ADDRESS 123 ANY STREET LOS ANGELES, CA 90030-0086	TERESA TORRES 123 ANY STREET CITY, CA 123456
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## How to Read Your Credit Card Statement

Credit card statement formats vary, but take a look at this sample.

### CARD Statement

**A** Account Number    1234 1234 1234 1234

**B** Statement Closing Date    11/06/09

**C** Credit Line    \$2,100.00

**D** Available Credit    \$1,576.80

TERESA TORRES  
123 ANY STREET  
CITY CA 12345

---

**F** **Account Summary**

Previous Balance	\$1,686.15
- Credits	\$0.00
- Payments	\$1,688.15
+ Purchases & Other Chgs	\$523.20
+ Cash Advances	\$0.00
+ FINANCE CHARGE	\$0.00
= New Balance	\$523.20

**G** **Payment Information**

New Balance	\$523.20
Scheduled Minimum Payment	\$35.00
Scheduled Payment Due Date	12/01/09

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**Rate Information**

YOU MAY PAY YOUR BALANCE IN FULL AT ANY TIME  
YOUR RATE MAY VARY ACCORDING TO THE TERMS OF YOUR AGREEMENT  
NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

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Composite ANNUAL PERCENTAGE RATE 21.80% **J**

Days in Billing Cycle 25

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**Transactions** **E**

Trans Post	Reference Number	Description	Credits	Charges
10/09 10/09	XXXXXXXXXXXXXXXXXXXX	MERCHANT NAME		523.20
10/08 10/09	XXXXXXXXXXXXXXXXXXXX	PAYMENTS	1,686.15	

Detach an mail with check so that your payment is received no later than the "Payment Due" date. See reverse for important additional information.

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Account Number    1234 1234 1234 1234

New Balance    \$523.20

Scheduled Minimum Payment    \$35.00

Scheduled Payment Due Date    12/01/09

**Amount Enclosed**    \$

12/01/09

**K**

PAYMENT ADDRESS  
123 ANY STREET  
LOS ANGELES, CA 90030-0086

TERESA TORRES  
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CITY, CA 123456

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