

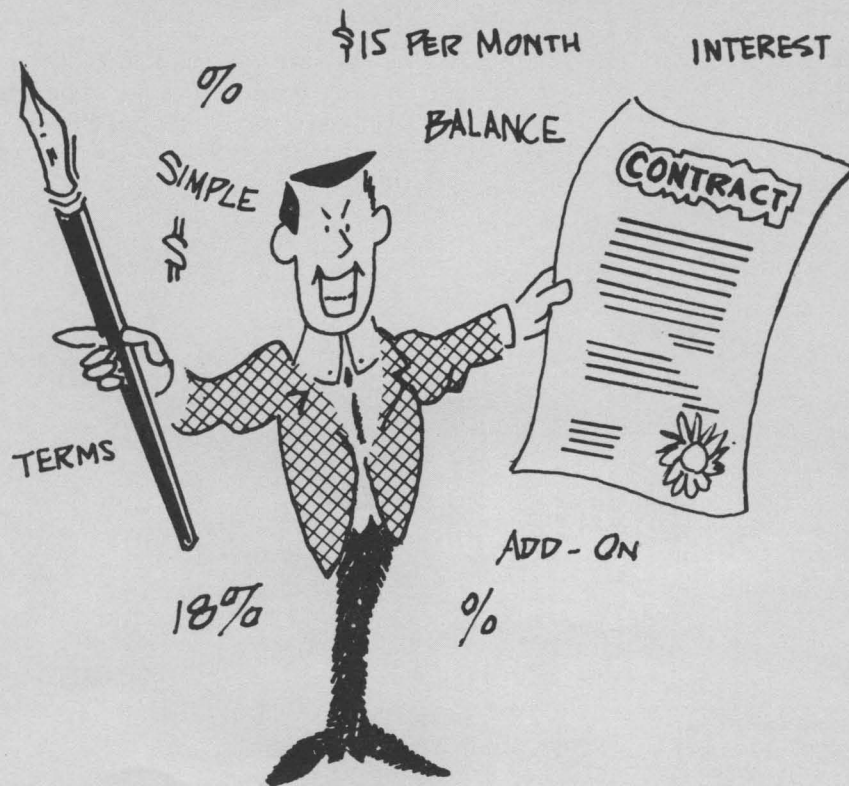
FACT SHEET

Rev. 20,000 - 6-20-69

L-811

Focusing on Credit . . .

YOUR CREDIT CONTRACT



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Your credit contract is the paper you sign when you use credit. It is often called a "credit agreement." Read it . . . study it . . . keep it . . .

Read It

Ask questions about anything you do not understand. Be sure that:

- All questions in the contract have been answered.
- All numbers have been filled in.

Study It

When you buy something, be sure these points are in your contract:

- Price of the item you are buying.

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- Trade-in allowance (if anything is traded).
- Interest, carrying charges (or time price differential) in dollars.
- Insurance cost.
- Any other costs.
- Total amount you must pay.
- Down payment.
- Total money you owe after the down payment and trade-in allowance.
- Amount of each payment. (Is the last payment different from the other payments? Why?)
- When each payment is due.
- What happens if you pay late or miss a payment.

- What happens if you can't pay.
- Anything you or the salesman promise to do.

When you borrow money, be sure these points are in your contract.

- Total amount of money you will get.
- Amount of each payment.
- Number of payments.
- Insurance cost.
- Any other costs.
- Interest (or time price differential) in dollars.

- When each payment is due.
- What happens if you pay late or miss a payment.
- What happens if you cannot pay.

Be sure you understand everything in the contract or agreement before you sign it.

Keep It

Be sure you get a copy of the contract or agreement. Be sure it is a carbon copy of the one the lender keeps. Your copy should say the same thing the lender's copy says. Keep your copy in a safe place.