

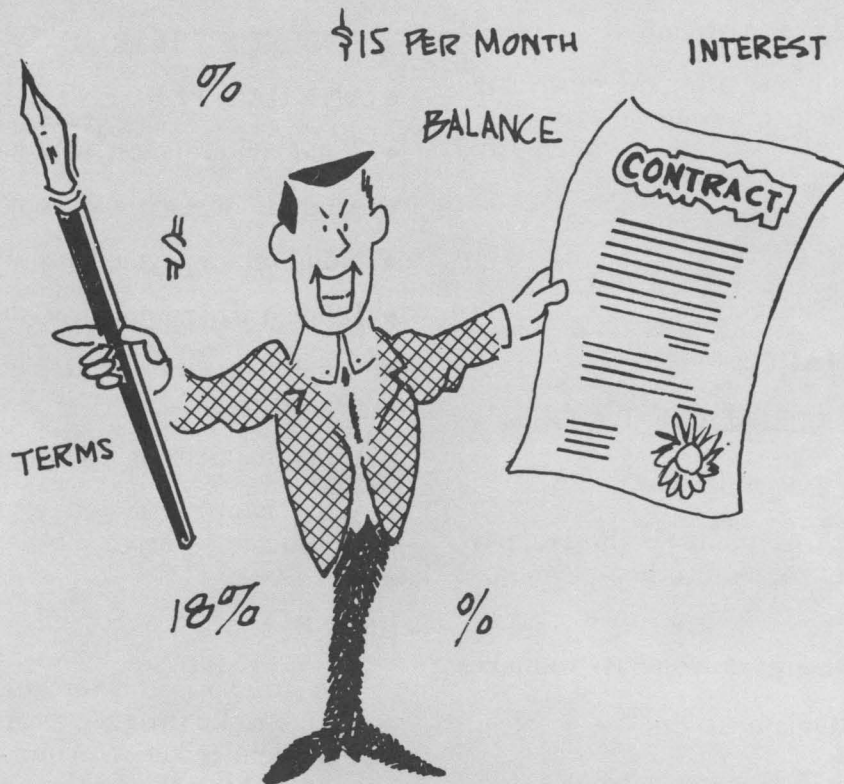
FACT SHEET

7/11/72
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Focusing on Credit . . .

YOUR CREDIT CONTRACT



Doris Myers*

Your credit contract is the paper you sign when you buy on credit.

You also sign a contract when you borrow money.

A contract is legal. You agree to everything written on the papers you sign. You can't change your mind after you sign your name.

Read it . . . study it . . . keep it . . .

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READ IT

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

- All questions in the contract have been answered.
- All numbers have been filled in.
- Understand the contract — all of it.
- Agree with all the terms — or DON'T SIGN!

STUDY IT

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

- Cash price of the item you are buying
- Less: Down payment
Trade-in allowance (if anything is traded)
Total down payment
- Total money you owe after the down payment and trade-in allowance
- Other charges
 - Insurance
 - Taxes
- Amount financed
- FINANCE CHARGE
- ANNUAL PERCENTAGE RATE
- Total amount you must pay
- Amount of each payment (Is the last payment different from the other payments? Why?)
- How many payments do you have to make?
- When each payment is due
- What happens if you pay late or miss a payment? How much money will this cost you?
- What happens if you can't pay?
- What happens if you pay all you owe on the contract before it is due?

- 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
- Insurance charges
- Other charges
- FINANCE CHARGE
- ANNUAL PERCENTAGE RATE
- Total amount you will have to pay
- Amount of each payment
- Number of payments you must make
- When each payment is due
- What happens if you pay late or miss a payment?
- What happens if you cannot pay?
- What happens if you want to pay the contract off early?

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. You may need this copy someday.

If you can't make your payments for any reason, talk it over with the business you owe. You may be able to agree on a plan for paying later.