

Credit Card ANSWER KEY:

You will most likely have chosen the Discover More card, because of the low Annual Percentage Rate (APR), the best late payment fee, and the longest grace period. However, it is important to point out that although the Discover card has the lowest listed APR, which can be the biggest factor for choosing a credit card since this controls how much you pay over a long period of time, if you read the *, you will see that the lowest option is 11.99%, but can be as high as 18.99%. You would have to contact the credit card company directly to find out what your specific rate would be based on your credit score. **This is an important lesson in reading the fine print/additional information,** because credit card offers are full of those!

You also may make a case for the Citi College Student Card because of the reward incentives. Each person has to assess for themselves what is most important with a credit card—APR is what has the most monetary effect over a long period of time, so that is a good benchmark to use. (There are some good tips on the Credit Card Cheat Sheet on how to pick the right card).

The worst offer, by far, is the New Millennium Visa/Mastercard offer.

* Do this exercise again with the credit card offers your parents get sent in the mail, or search offers online.

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