

# Credit Card Application

## What to Know About Credit Cards

### What do I need to know about applying for credit?

A credit card is used to “charge” things, like a meal in a restaurant, clothes for school or on-line purchases. Using a credit card is borrowing money now from the bank to charge something, then paying for it at a later date.

The best way to become responsible with credit is to learn through hands-on experience. Credit cards are valuable tools to financial learning, but should always be used with care!

Your application must be completed as accurately as possible. If your application is approved, you will be granted a \$100 credit limit.

## Completing a Credit Application

### Which parts do I fill out?

- Complete the page titled “Borrower Information.”
- Applicants under the age of 18 should have a co-signer complete the page titled “Co-Signer Information.”

## Application Approval Procedure

### How does the bank decide if my application will be approved?

- A bank officer will review your employment record and credit history.
- A bank officer will consider your ability to make monthly payments without putting yourself in financial difficulty.
- If you are applying with a co-signer, this person’s credit history will also be reviewed.
- After your completed application has been reviewed, you will be informed of the bank’s decision by mail within approximately three weeks.

## Suggestions for Building Positive Credit

### What can I do to establish good credit?

- Pay your bill on time.
- Pay your balance in full every month.
- Avoid applying for too many credit cards.

*Money Smarts for Kids. Money Skills for Life.*

# Are You Ready For Credit?

The way you handle money may be a strong indicator of how you will use credit. Take this quiz to discover how "credit ready" you really are. Note: Don't choose the answers that you think we want you to choose. Select the answers that are really true for you.

## Take This Quiz!

### 1. When you borrow money from a friend, you feel...

- a. uncomfortable until it's paid back.
- b. aware of the debt, but it's no big deal.
- c. interested in paying it back if and when your friend complains.
- d. willing to repay but with no hurry.

### 2. If you had a credit card and owed \$100 and had the cash to pay, you would...

- a. pay the bill in full.
- b. pay half (\$50) and keep the rest for spending money.
- c. pay \$25 and deposit the rest in savings.
- d. make the minimum payment (\$10) and use the rest to pay other bills.

### 3. Your grandmother gives you \$75 for your birthday. You would....

- a. put the entire amount in your savings account.
- b. purchase something you need.
- c. consider it extra spending money.
- d. treat yourself to a night out.

### 4. If your best friend asks to borrow \$30, you would...

- a. lend it, but only if an emergency.
- b. be happy to lend it out and offer more.
- c. be willing to lend it with a guaranteed repayment.
- d. just say "no".

### 5. If you get a \$65/month raise at your job, you would...

- a. put the extra money in a savings account each month.
- b. make a new budget and plan to pay off your bills.
- c. spend it just like your previous paycheck.
- d. not even realize you received a dime.

### 6. How often do you shop impulsively?

- a. Never.
- b. Very rarely.
- c. Frequently.
- d. Almost always.

### 7. If you discover \$10 in your pocket, you would...

- a. hang on to it.
- b. spend it, but only as a last resort.
- c. spend it on something you have wanted.
- d. spend it on a coke and fries.

## Check Your Score . . .

Each a = 5 points

Each b = 3 points

Each c = 2 points

Each d = 1 point

### **Total:**

### **Results:**

30-35 . . . . . You're credit ready!

20-29 . . . . . You're a savvy shopper, but watch out for the cost of credit.

10-19 . . . . . You're a laidback customer and need to be more money conscious.

1-9 . . . . . You're not quite ready to handle credit.

## Credit Card Application

### Borrower Information

#### ALL ABOUT YOU

Name \_\_\_\_\_ Phone Number \_\_\_\_\_  
Address \_\_\_\_\_ Length of Time at Residence \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_ Drivers Lic.# \_\_\_\_\_  
School Name & Address \_\_\_\_\_  
Nearest Relative Not Living With You \_\_\_\_\_ Relationship \_\_\_\_\_  
Address \_\_\_\_\_ Phone Number \_\_\_\_\_

#### EMPLOYMENT INFORMATION

Employer \_\_\_\_\_ Employer Phone Number \_\_\_\_\_  
Employer Address \_\_\_\_\_ Length of Employment \_\_\_\_\_  
Wage or Salary: Hourly \$ \_\_\_\_\_ Monthly \$ \_\_\_\_\_ Position \_\_\_\_\_  
Average Hours Worked per Week \_\_\_\_\_ Amount of Other Income \_\_\_\_\_  
Previous Employer \_\_\_\_\_ Length of Employment \_\_\_\_\_

#### WHERE YOU BANK

Bank Name \_\_\_\_\_ ☐ Checking ☐ Savings

#### WHAT YOU ALREADY OWE (List Your Liabilities)

Credit Cards	_____	Balance \$ _____	Monthly Payment \$ _____
	_____	Balance \$ _____	Monthly Payment \$ _____
Loans	_____	Balance \$ _____	Monthly Payment \$ _____
	_____	Balance \$ _____	Monthly Payment \$ _____
Car	_____	Balance \$ _____	Monthly Payment \$ _____
Other	_____	Balance \$ _____	Monthly Payment \$ _____

#### IMPORTANT - PLEASE READ BEFORE SIGNING

Everything I have stated in this application is correct to the best of my knowledge. I understand that Young Americans Bank will retain this application whether or not it is approved. I authorize Young Americans Bank to check my credit history and to answer any future questions about its credit experience with me.

Signature \_\_\_\_\_ Date \_\_\_\_\_

**FOR BANK  
USE ONLY**

Visa® Number \_\_\_\_\_  
Approved Limit \_\_\_\_\_ Officer Signature \_\_\_\_\_

## Credit Card Application

### Co-Signer Information

(Required Under Age 18)

#### ALL ABOUT CO-SIGNER

Name \_\_\_\_\_ Phone Number \_\_\_\_\_  
Address \_\_\_\_\_ Length of Time at Residence \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_ Drivers Lic.# \_\_\_\_\_  
Nearest Relative Not Living With You \_\_\_\_\_ Relationship \_\_\_\_\_  
Address \_\_\_\_\_ Phone Number \_\_\_\_\_

#### EMPLOYMENT INFORMATION

Employer \_\_\_\_\_ Employer Address \_\_\_\_\_  
Employer Phone Number \_\_\_\_\_ Position \_\_\_\_\_ Length of Employment \_\_\_\_\_  
Annual Salary \$ \_\_\_\_\_ Other Income \$ \_\_\_\_\_ Source \_\_\_\_\_  
Previous Employer \_\_\_\_\_ Length of Employment \_\_\_\_\_

#### LIABILITIES

Mortgage/Rent _____	Balance \$ _____	Monthly Payment \$ _____
Credit Cards/Loans _____	Balance \$ _____	Monthly Payment \$ _____
_____	Balance \$ _____	Monthly Payment \$ _____
Car _____	Balance \$ _____	Monthly Payment \$ _____

#### ASSETS

Cash, Savings, Money Market \$ \_\_\_\_\_ Automobile \$ \_\_\_\_\_  
Real Estate \$ \_\_\_\_\_ Other (please list) \$ \_\_\_\_\_  
Have you ever been the subject of a bankruptcy proceeding or are there any unsatisfied judgements against you? \_\_\_\_\_

#### IMPORTANT - PLEASE READ BEFORE SIGNING

**Notice to Cosigner.** You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount. The bank can collect this debt from you without first trying to collect from the borrower. The bank can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record. This notice is not the contract that makes you liable for the debt.

The person who signs below hereby unconditionally guarantees the full and prompt payment, when due, of all amounts owed by the Cardholder named above to Young Americans Bank ("Bank") under the Cardholder Agreement, including any amount owed which may be in excess of the credit limit applicable to the charge card account resulting from this application. The person who signs below consents to all extensions, renewals, changes in interest rate, or other indulgences which may be granted with respect to the obligations hereby guaranteed, any of which may be granted without notice to and without affecting the liability of the undersigned. The person who signs below also waives acceptance of this Guarantee and all other notices and demands of any kind with respect to this Guarantee or the obligations guaranteed, and agrees that the release of any person liable for the obligations guaranteed shall not release any other party. This Guarantee is absolute and not conditioned upon collection action taken against any other person. This Guarantee is a continuing guarantee, but any person who signs below may, by written notice given to and received by the Bank, withdraw from liability for any additional indebtedness created or incurred more than 90 days after the Bank receives such notice. Except as provided in the preceding sentence, the liability of the person who signs below shall not otherwise be affected. In addition to the obligations guaranteed, the person who signs below also agrees to pay the Bank the amount of all costs incurred by the Bank in enforcing this Guarantee, including reasonable attorney fees. This Guarantee shall also be binding on the heirs, personal representatives, successors and assigns to the person who signs below. Everything I have stated in this application is correct to the best of my knowledge. I understand that Young Americans Bank will retain this application whether or not it is approved. I authorize the Bank to check my credit and employment history and to answer future questions about its credit experience(s) with me.

Signature \_\_\_\_\_

Date \_\_\_\_\_

## Important Information About Your Credit Card

<b>Annual Percentage Rate (APR) for Purchases</b>	<b>15.0% Fixed</b> This is the rate charged on your unpaid balance. "Fixed" means that the interest does not change.
<b>Other Annual Percentage Rates (APR)</b>	Cash Advance APR: 18.9% Fixed
<b>Grace Period</b>	You will have a 25 day grace period in which to repay your purchases before a finance charge (interest) is added to your balance. However, there is no grace period for cash advances.
<b>Finance Charge</b>	If you choose to make a partial payment, a finance charge will be figured using the Average Daily Balance (including purchases) to compute your balance. The balance will then be multiplied by the monthly periodic rate of 1.25% (or 15% divided by 12 months) for purchases or 1.58% (or 18.9% divided by 12 months) for cash advances.
<b>Minimum Finance Charge</b>	None
<b>Method of Computing the Balances for Purchases</b>	The method used to compute your balance: Average Daily Balance (including new purchases). See Glossary of Terms, next page.
<b>Minimum Payment</b>	You may pay your credit card balance in full every month. If you wish to spread your payments over a period of time, your minimum monthly payment will be either 3% of the outstanding balance or \$10.00, whichever is greater. The choice of how you make your payment is up to you, but a payment is required each month if you have a balance.
<b>Annual Fee</b>	None
<b>Minimum Interest Charge</b>	None
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>

# Credit Card Lingo

## A Glossary of Terms

**Annual Fee:** A yearly membership or participation fee.

**Finance Charge:** The interest you will pay on your credit card balance. If you pay your balance in full before the payment due date, no finance charge (interest) will be added.

**Transaction Fees:** Charges levied each time a cash advance is made.

**Penalty Fees:** Charges for items such as late payments or exceeding credit limit.

**Annual Percentage Rate (APR):** The cost of credit is calculated based on an annual percentage rate (APR). This APR is divided by a unit of time, such as a day or month, to determine a periodic rate. This is the portion of the APR that is applied against outstanding account balances to determine the finance charge for a statement cycle.

**Minimum Payment:** The lowest amount that the borrower is required to pay back each month. The minimum payment is generally a percentage of the outstanding balance—from 2 to 5 percent with a minimum dollar amount, usually between \$10 and \$25.

**Grace Period:** The period during which you can repay your balance, including new purchases, without a finance charge. When the grace period expires, a finance charge is imposed. There is usually no grace period for cash advances with most banks, including Young Americans Bank.

### **Balance Calculation Method for Finance Charges:**

The method used by the card issuer in calculating the balance to which the periodic rate is applied. Some methods are more expensive for the customer than others, depending on how the card is used.

The following method is used most often by credit card issuers, including Young Americans Bank:

### **Average Daily Balance (including new purchase):**

With this method, payments or credits are subtracted from the balance on the day they are received, and purchases or cash advances are added. Every day, a new balance is calculated.

A monthly average is determined by adding the sum of all daily balances and dividing by the number of days in the billing cycle. With this method, it is in the cardholder's best interest to send payments as early as possible.

This information is accurate as of May 2012.  
Rates and fees are subject to change.

For more information, contact us at:



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Bank Hours:

Monday - Friday, 10am - 5pm; Saturday, 10am - 3pm