

IN TROUBLE QUIZ

1. Financial difficulties are commonly caused by overspending.
 True False
2. People with financial difficulties may obtain assistance from the Consumer Credit Counseling Service.
 True False
3. Consolidation loans are mainly used to finance the starting of a new business.
 True False
4. Debt collectors are usually allowed to call you at home before 8 p.m.
 True False
5. Bankruptcy is suggested for people who are a few weeks behind in their credit payments.
 True False
6. A common cause of financial difficulties is:
 - poor money management habits.
 - a need for additional career training.
 - preparing your tax return.
 - not having enough life insurance.
7. A nonprofit organization that provides financial counseling is:
 - the Federal Deposit Insurance Corporation.
 - the Consumer Credit Counseling Service.
 - the Better Business Bureau.
 - the National Credit Union Administration.
8. The purpose of a consolidation loan is to:
 - deduct amounts owed from a person's paycheck.
 - pay off one credit card amount before others are paid.
 - combine several debts into one payment.
 - reduce the amount owed for federal income taxes.
9. An example of a fair debt-collection practice would be to:
 - pretend to be a salesperson to attempt to collect a debt.
 - threaten to take legal action to collect the money owed.
 - call a debtor at work even if personal calls are not allowed.
 - call a debtor at home before 8 p.m.

10. Bankruptcy refers to the process of:

- obtaining permission to be late with credit payments.
- obtaining assistance from a credit counseling service.
- using court action to reduce or eliminate your debts.
- using court action to have payments owed deducted from your paycheck.