



Glossary of Credit/Loan Terms

Annual Fee: A fee charged by credit card issuers in order to keep the account open.

Annual Percentage Rate (APR): The yearly cost of credit (interest, insurance, and the origination fee or points), expressed as a percentage.

Assets: Anything of value. Any interest in real or personal property which can be appropriated for the payment of debt.

Collateral: Assets pledged to secure repayment of a loan.

Credit Report: A report containing detailed information on your credit history, including identifying information, credit accounts and loans, bankruptcies and late payments, and recent inquiries. Your credit report is maintained by companies known as credit reporting agencies or credit bureaus.

Delinquent: Overdue or unpaid debt.

Interest Rate: The yearly price charged by a lender to a borrower in order for the borrower to obtain a loan. This is usually expressed as a percentage of the total amount loaned.

Late-Fee Grace Period: The time between the payment due date and the date a fee is assessed for non-payment / overdue payment.

Loan Agreement: A written contract between a lender and a borrower that spells out the rights and obligations of each party regarding a loan.

Minimum Monthly Payment: Lowest amount you are required to pay each month.

Payment Due Date: Last day a payment can be accepted without penalty.

Promissory Note: A promise to pay. A written contract between a borrower and a lender that is signed by the borrower and provides evidence of the borrower's indebtedness to the lender.

Term: Refers to the maturity or length of time until final repayment on a loan, bond, sale or other contractual obligation.

Transaction Fees and Other Charges: Fees for credit card cash advances, balance transfers and going beyond your credit limit.