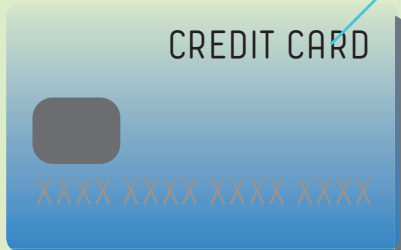


CREDIT v. DEBIT

Do YOU know
the difference?



Credit cards offer a line of credit, a preset amount by the issuer. This is a loan, and is expected to be paid back in full within a month or else interest is charged.

CONNECTION TO AN ACCOUNT:

Not required to be connected to anything

APPLICATION PROCESS:

Yes—the specifics vary by bank.

INTEREST CHARGED:

If amount is not paid in full, interest is charged on outstanding balance

CREDIT HISTORY:

Responsible usage based on a variety of factors

MONTHLY BILL:

Yes, based on billing cycle.

CONNECTION TO AN ACCOUNT:

Checking or savings account (Usually checking)

APPLICATION PROCESS:

None—just open an account

INTEREST CHARGED:

None because no money is borrowed

CREDIT HISTORY:

Does not affect credit history

MONTHLY BILL:

No monthly bill.



With a debit card, your transaction is immediately subtracted from your bank account. You can only spend the money that is available to you.