

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. Which of these is not always considered a form of predatory lending?
 - a. Pawnbrokers
 - b. Payday lenders
 - c. Prepaid debit cards
 - d. Loan sharks
 - e. All of the above

2. Which of these is a telltale warning sign of predatory lending?
 - a. Failure to present the loan price as negotiable
 - b. Unjustified risk-based pricing
 - c. Failure to clearly and fully disclose terms and conditions
 - d. Short-term loans with disproportionately high fees
 - e. All of the above

3. How is the annual percentage rate (APR) on a loan typically calculated?
 - a. The annual interest rate divided by 12 payment periods
 - b. The periodic interest rate multiplied by the number of compounding periods in a year plus certain non-interest charges and fees
 - c. The loan principal multiplied by the number of days that a payment is overdue