

Launch Hacks: Credit



RECEIVING SOMETHING OF VALUE NOW
WITH THE PROMISE TO PAY FOR IT LATER.

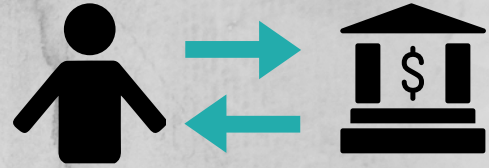
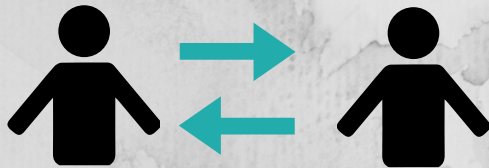


MORE THAN HALF OF ALL COLLEGE STUDENTS HAVE ACCUMULATED OVER \$5,000 IN CREDIT CARD DEBT WHILE IN SCHOOL, AND ONE-THIRD HAVE MORE THAN \$10,000 DEBT ON CREDIT CARDS.



NEARLY 1/3 OF AMERICANS ONLY PAY THE MINIMUM DUE ON THEIR CREDIT CARD EACH MONTH. PAYING JUST THE MINIMUM ON YOUR CREDIT CARD BALANCE MEANS YOU'LL PAY MORE IN INTEREST.

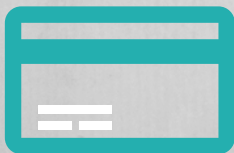
Ok, how does credit work?



Let's pretend you are out to dinner with friends and you forgot your wallet. One of your friends pays for your dinner and you promise you will pay them back.

This is an example of using credit. If you pay back these friendly loans, you build trust. This trust helps to build your reputation and increase your chances of borrowing more in the future.

This is the same concept that banks and credit card companies use when deciding whether or not to extend you credit. These companies view your credit report and credit score to determine if they will loan you money, how much, and at what interest rate. The better your credit score, the higher the likelihood of receiving a loan and, typically, the lower the interest rate.



Tell Me More About Credit Cards...

One of the most common ways to use credit is with a credit card. When you pay for something with a credit card, you are basically taking out a short-term loan from the credit card company and you will pay them back at a later date. This loan may or may not accrue interest, depending on when you pay it back. For purchases made in any given billing cycle — which is around 30 days — you'll have a small grace period before your payment is due. If you pay the balance in full by that date, you won't have to pay interest. If you pay less than the entire balance by the due date, you'll have to pay interest on your average daily balance.



Let's Practice:



Credit Quest

A critical step to responsibly managing your credit card is being able to read your credit card statements. We're going to practice this today! Using the MoMoney Express Credit Card Statement, answer each question below. When complete, you'll sum up your answers. The first one to get the correct sum wins!

The number of days in this billing cycle

What is the minimum payment due?

The balance that was due LAST month

Interest charged this month

How long it will take to pay off the current balance if you ONLY pay the minimum payment

How long it will take to pay off the current balance if you pay \$103 per month

How much money you will total if you only pay the minimum payment until you pay it all

What is the rewards balance on the credit card

You get 0.1% cash back with your rewards balance. How much cash will you get if you redeem your current rewards balance?

What was the total interest charged in 2017 at the time this bill was sent?

What was the largest transaction charged during this billing cycle?

What is the late fee if you don't pay on time?

Total transactions from this billing period

What is the balance due on the card?

What is the credit limit on the card?

Answer Sum: _____

Payment Information

Payment Due Date
May 22, 2017

For online and phone payments,
 the deadline is 8pm ET.

New Balance
\$2,849.54

Minimum Payment Due
\$69.00

LATE PAYMENT WARNING: If we do not receive your minimum payment by your due date, you may have to pay a late fee of up to \$35.00.

MINIMUM PAYMENT WARNING: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

| If you make no additional charges using this card and each month you pay... | You will pay off the balance shown on this statement in about... | And you will end up paying an estimated total of... |
|---|--|---|
| Minimum Payment | 14 Years | \$6,166 |
| \$103 | 3 Years | \$3,691 |
| Estimated savings if balance is paid off in about 3 years: \$2,475 | | |

If you would like information about credit counseling services, call 1-888-326-8055.

Account Summary

| | |
|--|---------------------|
| Previous Balance | \$5,276.20 |
| Payments | - \$5,373.20 |
| Other Credits | - \$100.11 |
| Transactions | + \$3,005.42 |
| Cash Advances | + \$0.00 |
| Fees Charged | + \$0.00 |
| Interest Charged | + \$41.23 |
| New Balance | = \$2,849.54 |
| Credit Limit | \$11,000.00 |
| Available Credit (as of Apr. 25, 2017) | \$8,150.46 |
| Cash Advance Credit Limit | \$500.00 |
| Available Credit for Cash Advances | \$500.00 |

Rewards Balance
3,715

Track and redeem your rewards with our mobile app

Previous Balance
 7,716

Earned This Period
 6,010

Redeemed This Period
 -10,011

Account Notifications



You are enrolled in AutoPay. You've selected to pay the minimum amount due, which will be debited from your bank account on your due date. If your payment is more than your current balance, we will only debit the current balance.

Customer Service: 1-800-955-7070

See reverse for Important Information


Payment Due Date: **May 22, 2017**

Account Ending in 0762

New Balance
\$2,849.54

Minimum Payment Due
\$69.00

Amount Enclosed
 \$ _____



400035

**Make a statement.
Go paperless.**

Stop waiting for your bill to arrive in the mail and go paperless today.

Log in to your account to make the switch to paperless.



How can I Avoid Paying Interest Charges? If you pay your statement's New Balance in full by the due date, we will not charge you interest on any new transactions that post to the purchase segment. If you have been paying your account in full with no Interest Charges, but then you do not pay your next New Balance in full, we will charge interest on the portion of the balance that you did not pay. For Cash Advances and Special Transfers, we will start charging interest on the transaction date. Certain promotional offers may allow you to pay less than the total New Balance and avoid paying Interest Charges on new purchases. Please refer to the front of your statement for additional information.

How is the Interest Charge applied? Interest Charges accrue from the date of the transaction or the first day of the Billing Cycle. Interest Charges accrue on every unpaid amount until it is paid in full. This means you may owe Interest Charges even if you pay the entire New Balance for one Billing Cycle, but did not do so the previous Billing Cycle. Unpaid Interest Charges are added to the corresponding segment of your account.

Do you assess a Minimum Interest Charge? We may assess a minimum Interest Charge of \$0.50 for each Billing Cycle if your account is subject to an Interest Charge.

How do you Calculate the Interest Charge? We use a method called Average Daily Balance (including new transactions).

1. First, for each segment we take the beginning balance each day and add in new transactions and the periodic Interest Charge on the previous day's balance. Then we subtract any payments and credits for that segment as of that day. The result is the daily balance for each segment. However, if your previous statement balance was zero or a credit amount, new transactions which post to your purchase segment are not added to the daily balance.
2. Next, for each segment, we add the daily balances together and divide the sum by the number of days in the Billing Cycle. The result is the Average Daily Balance for each segment.
3. At the end of each Billing Cycle, we multiply your Average Daily Balance for each segment by the daily periodic rate (APR divided by 365) for that segment, and then we multiply the result by the number of days in the Billing Cycle. We add the Interest Charges for all segments together. The result is your total Interest Charge for the Billing Cycle.

The Average Daily Balance is referred to as the Balance Subject to Interest Rate in the Interest Charge Calculation section of this Statement.

NOTE: Due to rounding or a minimum Interest Charge, this calculation may vary slightly from the Interest Charge actually assessed.

How can my Variable APR change? Your APRs may increase or decrease based on one of the following indices (reported in *The Wall Street Journal*). The letter code below corresponds with the letter next to your APRs in the Interest Charge Calculation section of this statement.

| Code next to your APR(s) | How do we calculate your APR(s)? Index + margin | When your APR(s) will change |
|--------------------------|---|---|
| P | Prime Rate + margin | The first day of the Billing Cycles that end in Jan., April, July, and Oct. |
| L | 3 month LIBOR + margin | |
| D | Prime Rate + margin | The first day of each Billing Cycle. |
| F | 1 month LIBOR + margin | |

How can I Avoid Membership Fees? If a Renewal Notice is printed on this statement, you may avoid paying an annual membership Fee by contacting Customer Service no later than 45 days after the last day in the Billing Cycle covered by this statement to request that we close your account. To avoid paying a monthly membership Fee, close your account and we will stop assessing your monthly membership Fee.

How can I Close My Account? You can contact Customer Service anytime to request that we close your account.

How do you Process Payments? When you make a payment, you authorize us to initiate an ACH or electronic payment that will be debited from your bank account or other related account. When you provide a check or check information to make a payment, you authorize us to use information from the check to make a one-time ACH or other electronic transfer from your bank account. We may also process it as a check transaction. Funds may be withdrawn from your bank account as soon as the same day we process your payment.

How do you Apply My Payment? We generally apply payments up to your Minimum Payment first to the balance with the lowest APR (including 0% APR), and then to balances with higher APRs. We apply any part of your payment exceeding your Minimum Payment to the balance with the highest APR, and then to balances with lower APRs.

Billing Rights Summary (Does not Apply to Small Business Accounts)

What To Do If You Think You Find A Mistake On Your Statement : If you think there is an error on your statement, write to us at:

Capital One P.O. Box 30285 Salt Lake City, UT 84130-0285.

In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of Problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake. You must contact us within 60 days after the error appeared on your statement. You must notify us of any potential errors in writing. You may call us or notify us electronically, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question. We will notify you in writing within 30 days of our receipt of your letter. While we investigate whether or not there has been an error, the following are true:
 - We cannot try to collect the amount in question, or report you as delinquent on that amount. The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
 - While you do not have to pay the amount in question until we send you a notice about the outcome of our investigation, you are responsible for the remainder of your balance.
 - We can apply any unpaid amount against your credit limit. Within 90 days of our receipt of your letter, we will send you a written notice explaining either that we corrected the error (to appear on your next statement) or the reasons we believe the bill is correct.

Your Rights If You Are Dissatisfied With Your Purchase: If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase. To use this right, the following must be true:

- 1) You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify; and
- 2) You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at: Capital One, P.O. Box 30285, Salt Lake City, UT 84130-0285. While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay we may report you as delinquent.

ETC-08

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11/01/16

Changing Mailing Address?

You can change your address immediately at capitalone.com or complete the information below, and return this coupon with your payment. Please print using blue or black ink.

Street.....

City.....

State..... Zip code

Phone.....

Email.....

How do I Make Payments? You may make your payment in several ways:

1. Online Banking by logging into your account;
2. Capital One Mobile Banking app for approved electronic devices;
3. Calling the telephone number listed on the front of this statement and providing the required payment information;
4. Sending mail payments to the address on the front of this statement with the payment coupon or your account information.

When will you Credit My Payment?

- For mobile, online or over the phone, as of the business day we receive it, as long as it is made by 8 p.m. ET.
- For mail, as of the business day we receive it, as long as it is received by 5 p.m. local time at our processing center. You must send the bottom portion of this statement and your check to the payment address on the front of this statement. Please allow at least seven (7) business days for mail delivery. Mailed payments received by us at any other location or payments in any other form may not be credited as of the day we receive them.

Transactions

#0762: Payments, Credits and Adjustments

| Date | Description | Amount |
|--------|---|--------------|
| Apr 10 | CREDIT-TRAVEL REWARD | - \$56.57 |
| Apr 10 | CREDIT-TRAVEL REWARD | - \$34.00 |
| Apr 11 | CAPITAL ONE ONLINE PYMTAuthDate 11-APR | - \$5,276.20 |
| Apr 17 | CREDIT-TRAVEL REWARD | - \$9.54 |
| Apr 22 | CAPITAL ONE AUTOPAY PYMTAuthDate 27-MAR | - \$97.00 |

#0762: Transactions

| Date | Description | Amount |
|--------|--|----------|
| Mar 24 | HELLO VENICEVENICECA | \$29.30 |
| Mar 25 | VENICE WHALERMARINA DEL RECA | \$45.01 |
| Mar 25 | AGOURA DELI & MARTAGOURACA | \$5.58 |
| Mar 27 | PARADISE COVE BEACH CAFEMALIBUCA | \$49.26 |
| Mar 27 | THE GETTY310-440-7300CA | \$15.00 |
| Mar 28 | SQ *KOTOYA RAMENLos AngelesCA | \$30.93 |
| Mar 28 | TRADER JOE'S #119 QPSLOS ANGELESCA | \$58.90 |
| Mar 28 | SHELL OIL 57442743605CABAZONCA | \$36.29 |
| Mar 28 | IN N OUT BURGER 292CABAZONCA | \$17.83 |
| Mar 28 | 7-ELEVEN 13731LOS ANGELESCA | \$2.82 |
| Mar 28 | 7-ELEVEN 13731LOS ANGELESCA | \$19.23 |
| Mar 28 | INST OF MENTALPHYSICJOSHUA TREECA | \$25.00 |
| Mar 30 | HOLLAND INN & SUITES661-763-5211CA ARRIVE: 03/30/17 | \$58.41 |
| Mar 31 | MACYS SAN FRANCISCO SAN FRANCISCOCA | \$21.00 |
| Apr 1 | CLIFT HOTEL - BARSSAN FRANCISCOCA ARRIVE: 04/01/17 | \$34.00 |
| Apr 2 | HOTEL CARLTONSAN FRANCISCOCA ARRIVE: 04/02/17 | \$450.22 |
| Apr 3 | PAY*SANTA BARBARA805-962-6400CA | \$316.00 |
| Apr 3 | FIND YOUR FEETSANTA BARBARACA | \$35.55 |
| Apr 3 | WATERFRONT PARKINGSANTA BARBARACA | \$4.00 |
| Apr 4 | TST* RENAUDS DWNTWNSANTA BARBARACA | \$9.46 |
| Apr 4 | ENJOY CUPCAKESSANTA BARBARACA | \$3.50 |
| Apr 6 | APL* ITUNES.COM/BILL866-712-7753CA | \$5.99 |
| Apr 6 | UBER US APR06 7BGNWHELP.UBER.COMCA | \$9.54 |

Transactions Continued

| Date | Description | Amount |
|--------|---|----------|
| Apr 6 | B&C RETAIL INC OJAJOAICA | \$35.63 |
| Apr 8 | TEST PILOT COCKTAILSSANTA BARBARACA | \$60.00 |
| Apr 9 | TRADER JOE'S #119 QPSLOS ANGELESCA | \$37.19 |
| Apr 9 | HARBOR FREIGHT TOOLS 577CULVER CITYCA | \$13.08 |
| Apr 9 | PEPBOYS STORE 894CULVER CITYCA | \$57.32 |
| Apr 9 | GJELINAVENICECA | \$47.50 |
| Apr 10 | REI.COM800-426-4840WA | \$62.01 |
| Apr 12 | APL* ITUNES.COM/BILL866-712-7753CA | \$0.99 |
| Apr 14 | Spotify USA646-8375380NY | \$9.99 |
| Apr 14 | CHEVRON 0357803SAN DIEGOCA | \$36.33 |
| Apr 14 | TRADER JOE'S #025 QPSENCINITASCA | \$64.60 |
| Apr 15 | LOBSTER WESTENCINITASCA | \$32.22 |
| Apr 15 | THE TACO STAND ENCENCINITASCA | \$26.65 |
| Apr 15 | Bier Garden EncinitasEncinitasCA | \$33.02 |
| Apr 16 | ON THE WATER FRONT CAFEVENICECA | \$18.25 |
| Apr 16 | HANDELS ICE CREAMENCINITASCA | \$12.65 |
| Apr 17 | DELTA AIR 0062114839277ATLANTAGA TK#: 0062114839277 ORIG: LAX, DEST: LAS S/O: O CARRIER: DL SVC: F ORIG: LAS, DEST: LAX CARRIER: DL SVC: J | \$51.65 |
| Apr 18 | NEW YORK TIMES DIGITAL800-698-4637NY | \$7.50 |
| Apr 18 | CONVERSE #5304SANTA MONICACA | \$54.75 |
| Apr 19 | SEPHORA 26SANTA MONICACA | \$31.28 |
| Apr 19 | BLUE PLATE TACOSANTA MONICACA | \$31.61 |
| Apr 19 | SQ *KOTOYA RAMENLos AngelesCA | \$17.05 |
| Apr 20 | CVS/PHARMACY #09563LOS ANGELESCA | \$28.23 |
| Apr 20 | CVS/PHARMACY #09563LOS ANGELESCA | \$5.20 |
| Apr 20 | LOS ANGELES STERLING CLELOS ANGELESCA | \$9.76 |
| Apr 21 | CONVERSE #5304SANTA MONICACA | \$71.17 |
| Apr 21 | CONVERSE #5304SANTA MONICACA | \$82.13 |
| Apr 21 | PAPYRUS #2205SANTA MONICACA | \$18.41 |
| Apr 21 | PINKBERRY 15068SANTA MONICACA | \$8.45 |
| Apr 22 | OC TOLL ROADS949-727-4800CA | \$52.72 |
| Apr 22 | GEICO *AUTO800-841-3000DC | \$680.58 |

Transactions continue on the back of this page

Transactions Continued

| Date | Description | Amount |
|---|----------------------------------|-------------------|
| Apr 22 | CVS/PHARMACY #09563LOS ANGELESCA | \$24.68 |
| Total | | \$3,005.42 |
| Total Transactions for This Period | | \$3,005.42 |
| Fees | | |
| Date | Description | Amount |
| Total Fees for This Period | | \$0.00 |
| Interest Charged | | |
| Interest Charge on Purchases | | \$41.23 |
| Interest Charge on Cash Advances | | \$0.00 |
| Interest Charge on Other Balances | | \$0.00 |
| Total Interest for This Period | | \$41.23 |
| 2017 Totals Year-to-Date | | |
| Total Fees charged in 2017 | | \$0.00 |
| Total Interest charged in 2017 | | \$140.41 |

Interest Charge Calculation

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

| Type of Balance | Annual Percentage Rate (APR) | Balance Subject to Interest Rate | Interest Charge |
|-----------------|------------------------------|----------------------------------|-----------------|
| Purchases | 17.65% P | \$2,750.06 | \$41.23 |
| Cash Advances | 25.65% P | \$0.00 | \$0.00 |

P,L,D,F = Variable Rate. See reverse of page 1 for details.



Credit Quest

THE GOAL:

The purpose of this activity is to prepare participants for using a credit card. The participants should walk away understanding how to read a credit card statement, but also realizing certain keys to managing a credit card, such as paying off your statement balance to avoid interest charges and utilizing rewards offered by credit card companies.

THE LOGISTICS:

- **Discussion:** Ask the students what they know about credit and credit cards. Brainstorm pros and cons to using a credit card, and record answers on a white board or flip chart.
- **Highlight pros:** can make a purchase without having cash at that moment (ex: you need to fill up the car with gas, but you don't get your paycheck for a few days. You can use a credit card to charge the payment before you receive a paycheck); cashback or travel rewards for credit card use; building up credit score.
- **Highlight cons:** easy to get into debt if not making ontime payments; high interest rates can be costly if you're not paying off the statement balance of the card every month.
- **Intro activity:** Now we're going to practice reading a statement, which is critical in ensuring you understand when to make payments, how much to pay, and consequences of missing a payment.
- **Divide group into teams** or have them work individually to complete the Credit Quest. They'll record answers to each question (in number format) then add up all of the answers. The first to get the correct sum wins the activity. Answer key is provided.

THE ITEMS:

- Launch Hack (one per participant)
- MoMoney Express Credit Card statement (one per participant)
- Whiteboard or flipchart for brainstorming

THE WRAP UP:

Using credit cards can be beneficial and allow you to earn cash back on purchases, travel the world for free (using points) and positively impact your credit score. It's important, however, to use them responsibly and not spend outside of your means. The pitfalls can be costly and have longterm impacts on your financial wellbeing.



Credit Answer Key

A critical step to responsibly managing your credit card is being able to read your credit card statements. We're going to practice this today! Using the MoMoney Express Credit Card Statement, answer each question below. When complete, you'll sum up your answers. The first one to get the correct sum wins!

The number of days in this billing cycle **31**

What is the minimum payment due? **\$69**

The balance that was due LAST month **\$5,276.20**

Interest charged this month **\$41.23**

How long it will take to pay off the current balance if you ONLY pay the minimum payment **14 years**

How long it will take to pay off the current balance if you pay \$103 per month - **3 years**

How much money you will total if you only pay the minimum payment until you pay it all - **\$6,166**

What is the rewards balance on the credit card - **3,715**

You get 0.1% cash back with your rewards balance. How much cash will you get if you redeem your current rewards balance? **\$3.72**

What was the total interest charged in 2017 at the time this bill was sent? **\$140.41**

What was the largest transaction charged during this billing cycle? **\$680.58**

What is the late fee if you don't pay on time? **\$35**

Total transactions from this billing period **\$3,005.42**

What is the balance due on the card? **\$2,849.54**

What is the credit limit on the card? **\$11000**

Answer Sum: 33030.10