

Contract Between _____ and _____ for the Privilege of Getting a Credit Card backed by Parents.

Purpose

The purpose of this contract is for each of us to write down just what we expect from each other, and just what is allowed in the coming year.

Responsibility of Parent:

Provide advice and support how to manage a credit card

Will assist each month in showing _____ how to pay it off in full

Will assist each month in tabulating total amount owed

Will assist in reporting any lost or stolen card

Will assist in any necessary loans to tide over in case credit card cannot be paid in full.

Responsibility of Young Adult:

Agrees to keep track of all expenditures by saving receipts and keeping them on file with summary in budget folder/book/computer file.

Agrees to not spend more than _____ per month on items purchased without discussion with parent.

Agrees to read the credit agreement and be able to identify the following key features.

Agrees to regularly scheduled session with parent to review credit card bill and payment plan

Agrees to pay bill in full each month

Agrees that use of credit card will terminate immediately if entire bill cannot be paid in any single month

Agrees that Mom and Dad may make a loan to assist in payment of bill, for which full payment will be necessary prior to the utilization of the

credit card resuming.

Agrees that Mom and Dad may charge interest to _____ for the loan equivalent to 50% of the credit card rate of interest.

Agrees to personally calculate the rate of interest on any loan from Mom and Dad and present the calculation to Mom and Dad representing the given calculation, including the savings maintained by making a loan from Parents instead of from Credit Card company.

Miscellaneous Agreements:

Will report loss or theft of card to Parent 24/7 as soon as known.

Any accidental loss may be replaced ("insured") by parent

Both parties agree that any item in this contract may be unable to be kept and that the contract may be reopened for amendment if that should occur - but that any one item not being met shall not mean that the rest of the items in the contract will not still be followed.

Signed by Young
Adult _____ Date _____

Signed by
Parent _____