

Match the Scam/Scheme

Directions: Match the name of the scam/scheme in the column on the left to one of the definitions below.

Scam or Scheme	Definition
Rent-to-own	
Credit-repair scheme	
College financial-aid scam	
Pyramid scheme	
Payday loan	
Identify theft	
Loan scam	

- A. A fraudulent company offers to erase a consumer's bad credit history or remove bankruptcy information from the consumer's credit records. It collects an up-front fee, and it can in fact do nothing to "repair" a consumer's poor credit record.
- B. A fraudulent company offers to find a student a scholarship. It collects an up-front fee and fails to provide the scholarship.
- C. Scam artists get your name, Social Security number, credit card number, or some other piece of your personal information and use this information to open a new credit card account, cellular phone account, or checking account.
- D. A fraudulent company offers a personal debt consolidation loan, collects an up-front fee, and never provides the loan.
- E. A legal loan that allows a person to get cash until payday, with no credit background check. Typically, the interest rate (APR) is quite high.
- F. A fraudulent company in which the first participants receive payment for recruiting additional members.
- G. A legal scheme offered by some businesses whereby the consumer pays a very high price for appliances, furniture, and electronics products because the consumer first rents an item and then buys it.

EXERCISE
19.2

NAME: _____ CLASS PERIOD: _____

Name That Scam

Directions: Read each scam or scheme described in Column A and match it to one of the names of the scams listed below. Place the letter of the correct answer in Column B.

- A. Identity theft
- B. Loan scam
- C. Credit-repair scheme
- D. College financial-aid scam
- E. Pyramid scheme
- F. Payday loan
- G. Rent-to-own plan

Column A	Column B
1. Make big money on your home computer. Join our eel burger distribution network. Cash in on this new health food craze. E-mail your friends. They can be distributors too.	
2. Need cash today? Can't wait until you get paid? You can get \$50 to \$500 in 15 minutes. No credit checks!	
3. Tired of the broken-down MP3 player with lousy speakers? Want to step up to a new system but are short of cash? We can make it happen today!	
4. Here is the deal of a lifetime guaranteed to make you and your friends rich in weeks. Pay \$100 to play Jack Pot. In weeks you will make hundreds more. Don't miss out. This is your chance!	
5. You receive an outrageous telephone call from the collection agency saying you have failed to pay a bill for nearly \$20,000. You explain that the correct name was used but the billing address for the account was wrong. Soon you hear from a bank in another state that you are overdrawn by \$5,000 in a checking account you didn't know you had.	
6. Credit problems? You need not suffer forever! Let us help. We can remove bankruptcies, liens, and bad loans from your credit file forever! Join our hundreds of satisfied customers.	
7. Over your head in debt? Bill collectors harassing you? Can't sleep? We can help. We can find credit for you. It's guaranteed! Call 1-800-123-4567.	
8. Every year, thousands of college scholarships go unclaimed. Are you skimping along simply because you don't have "connections"? We can help. We guarantee you that we will find you a \$1,000, \$2,000, or even a \$5,000 scholarship. All your money is returned if you are not satisfied!	