

CRCE Certification Practice Test

Section 6: Credit & Collections

1. A bank home equity loan is a Self-pay option to obtain payment before or upon the DOS/discharge.
 True
 False

2. What are the advantages of credit card payments?

3. What are the disadvantages of credit card payments?

4. List the options for extended payment plans?

5. What are the primary types of personal bankruptcies and explain when a debtor would apply for each bankruptcy?

6. Under Chapter 13, a corporation can file with the intent to reorganize their business to meet obligations.
 True
 False

14. Provide examples of Medicare's Bad Debt Provision complex rules.

15. The total dollar amount recovered by a collection agency less any fees is best described as net recovery rate.

_____ True

_____ False

16. The cost to collect is the percentage of total costs to the total dollar amount received.

_____ True

_____ False

17. What types of cost are included in cost to collect?

18. What is the purpose of converting net recovery to a percentage rate?

19. How is the net recovery rate calculated?

20. List the elements of an effective financial policy and explain the importance of each.