Welcome

1. Agenda
2. Ground Rules
3. Introductions
Objectives

• Identify the major types of insured financial institutions

• Identify five reasons to use a bank

• Describe the steps involved in opening and maintaining a bank account
Objectives

• Describe two types of deposit accounts

• Identify additional bank services that come with deposit accounts

• Describe the main functions of the bank customer service representative, teller, loan officer, and branch manager
What Do You Know?

What do you know or want to learn about banking services?
Your View of Banks

• What comes to mind when you hear the word bank?

• What has been your experience with a bank?
 Reasons to Keep Money in a Bank

• How many of you keep your money in a bank?

• Why keep your money in a bank?
  • Safety
  • Convenience
  • Cost
  • Security
  • Financial future
Insured Financial Institutions

• **Banks and Thrifts:**
  - Are subject to federal and state laws
  - Make loans, pay checks, accept deposits, and provide other financial services

• **Credit Unions:**
  - In addition to the above:
    - Are non-profit financial institutions
    - Require a membership to open an account
Open & Maintain a Bank Account

1. Open the account
2. Make deposits and withdrawals
3. Record interest and fees
4. Keep track of your balance
Open a Bank Account

• Complete account verification process

• Ask about “second chance” checking programs if you are unable to open an account

• Use the “Choosing a Bank and a Bank Account Checklist” to select services that are right for you
Deposit

- **Deposit**: money you add to your account
- **Deposit slip**: tells the bank how much money you are adding to your account

Note: You may not have immediate use of deposited funds until the bank ensures there are funds at the originating bank.
# Balance

- The amount of money you have in your bank account

## What is your balance?

<table>
<thead>
<tr>
<th>Description</th>
<th>+/-</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>+$100</td>
<td>$100</td>
</tr>
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</table>
Withdrawal

• Taking money out of your account using checks, withdrawal slip, or ATM

Always know how much is in your account!

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<td>-$20</td>
<td>$80</td>
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Fees

• **Examples include:**
  • Monthly maintenance fees
  • Penalty fees
  • Overdraft fees
## Balance After Fees Charged

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<tr>
<td>Fees</td>
<td>-$4</td>
<td>$76</td>
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Activity 1: Making Deposits and Withdrawals

Complete Activity 1 in the Participant Guide.

1. Read the scenario carefully.
2. Complete the table.
3. Determine the new balance.
Deposit Accounts

• Examples include:
  • Checking account—to pay bills and buy goods
  • Savings account—to save money and earn interest

• You may have transaction and monthly fees.

• The bank will send you periodic statements.
## Bank vs. Check-Cashing Services

<table>
<thead>
<tr>
<th>Check-Cashing Services</th>
<th>Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Check-cashing fees:</strong></td>
<td><strong>Monthly fee:</strong></td>
</tr>
<tr>
<td>4 x $5 = $20 a month</td>
<td>$5 a month</td>
</tr>
<tr>
<td>$20 x 12 = $240 a year</td>
<td>$5 x 12 = $60</td>
</tr>
<tr>
<td><strong>Money order fees:</strong></td>
<td><strong>Box of checks:</strong> $18</td>
</tr>
<tr>
<td>5 x $1 = $5 a month</td>
<td><strong>Total:</strong> $78</td>
</tr>
<tr>
<td>$5 x 12 = $60 a year</td>
<td><strong>Savings:</strong> $222</td>
</tr>
<tr>
<td><strong>Total:</strong> $300</td>
<td></td>
</tr>
</tbody>
</table>

- **Savings:** $222
Additional Benefits of a Bank

• Internet banking access 24 hours, 7 days a week

• Good credentials for loan applications with responsible use

• No worries about cash being lost or stolen
**Interest**

- A percentage of your balance that the bank pays you for keeping your money at that bank

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Non-Deposit Accounts

• Includes stocks, bonds, and mutual funds

• Not FDIC-insured; therefore, you may risk losing your investment.
Common Banking Services

- Direct deposit
- Automated Teller Machine (ATM)
- Debit card
- Loan
- Money order
- Money transfer
- Remittance
- Stored value card
- Telephone and online banking
Activity 2: Name That Service

Complete Activity 2 in the Participant Guide.

1. Read the description of each service.
2. Choose the banking service that matches it.
3. Fill in the blank with the name of the banking service.
Privacy Notices

• Explain how your personal financial information is:
  • Shared
  • Protected

• Under Federal law:
  • Financial institutions must keep personal financial information private.
  • You can stop or “opt out” of some information sharing.
Opting Out

• Review privacy notices

• Limit information credit bureaus can share

• Opt out of receiving prescreened offers:
  • Call 1-888-5-OPTOUT (567-8688)
  • Visit www.optoutprescreen.com
Opting Out

• You cannot opt out completely.

• Financial companies can provide:
  • Information to firms promoting the company’s products or partner products
  • Transaction records to firms providing data processing/mailing services for the company
  • Information about you in response to court orders
  • Your payment history to credit bureaus
Bank Employees Include:

- Customer Service Representative
- Teller
- Loan Officer
- Branch Manager
Key Points to Remember

• Ask for help if you do not know whom to talk to at a bank
• Ask questions until you are clear on all the information
• Do not sign anything you do not understand
• Ask for written information to take home to review
• Use the “Choosing a Bank and a Bank Account Checklist” to help you choose a bank and the account that is right for you
Summary

• What final questions do you have?

• What have you learned?

• How would you evaluate the training?
Conclusion

• You learned about:
  • Types of insured financial institutions
  • Basic banking terms
  • How to open and maintain a bank account
  • Differences between banks and check-cashing services
  • Types of accounts
  • Types of banking services
  • Bank employees and their jobs