

Bank On It



FDIC



FDIC Financial Education Curriculum

Welcome



1. Agenda
2. Ground Rules
3. Introductions



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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**



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Objectives

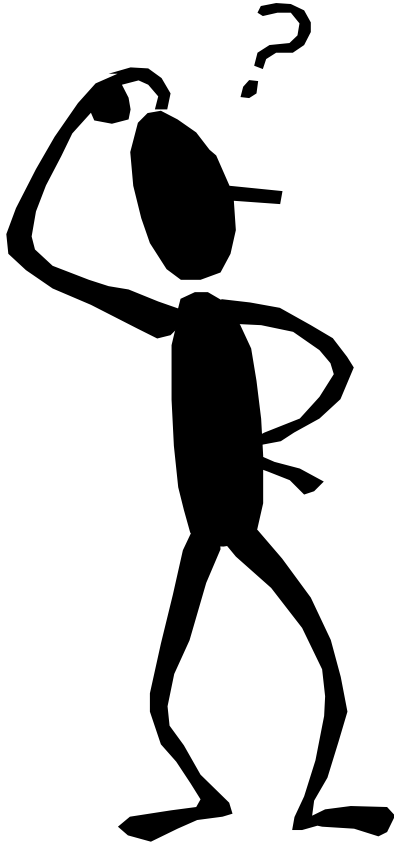


- **Describe two types of deposit accounts**
- **Identify additional bank services that come with deposit accounts**
- **Describe the main functions of the bank customer service representative, teller, loan officer, and branch manager**



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What Do You Know?



What do you know or want to learn about banking services?



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Your View of Banks

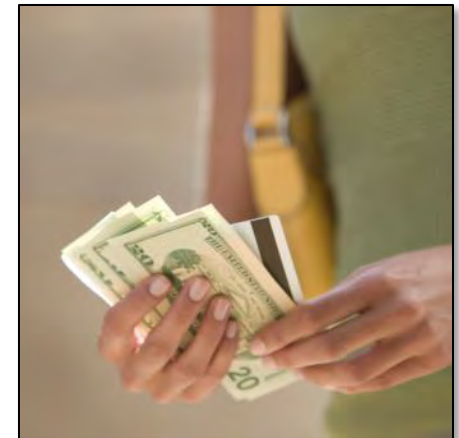
- **What comes to mind when you hear the word bank?**
- **What has been your experience with a bank?**



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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



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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



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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



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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**



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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.



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Balance

- The amount of money you have in your bank account

What is your balance?

Description	+/-	Balance
Opening Balance	+\$100	\$100



Withdrawal

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

Always know how much is in your account!

Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	\$80



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Fees

- **Examples include:**
 - Monthly maintenance fees
 - Penalty fees
 - Overdraft fees



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Balance After Fees Charged


Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	\$80
Fees	-\$4	\$76



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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.



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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.**



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Bank vs. Check-Cashing Services

Check-Cashing Services

Check-cashing fees:

$4 \times \$5 = \20 a month

$\$20 \times 12 = \240 a year

Money order fees:

$5 \times \$1 = \5 a month

$\$5 \times 12 = \60 a year

Total: \$300

Bank

Monthly fee:

\$5 a month

$\$5 \times 12 = \60

Box of checks: \$18

Total: \$78

Savings: \$222



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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**



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Interest

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

Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	\$80
Fees	-\$4	\$76
Interest	+\$1	\$77



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Non-Deposit Accounts

- **Includes stocks, bonds, and mutual funds**
- **Not FDIC-insured; therefore, you may risk losing your investment.**



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Common Banking Services

Direct deposit

Automated
Teller Machine
(ATM)

Debit card

Loan

Money order

Money
transfer

Remittance

Stored value
card

Telephone
and online
banking



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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.



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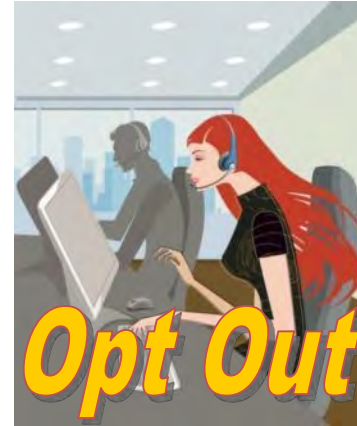
Privacy Notices

- 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.



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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



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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



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Bank Employees Include:

- **Customer Service Representative**
- **Teller**
- **Loan Officer**
- **Branch Manager**



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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**



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Summary

- **What final questions do you have?**
- **What have you learned?**
- **How would you evaluate the training?**



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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



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