

Participant Guide

BANK ON IT

FDIC

Money Smart



FDIC Money Smart for Young Adults



Building: Knowledge, Security, Confidence

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Money Smart for Young Adults Modules

Bank On It

An introduction to bank services

Borrowing Basics

An introduction to credit

Check It Out

How to choose and keep a checking account

Charge It Right

How to make a credit card work for you

Setting Financial Goals

How to keep track of your money

Paying for College and Cars

Know what you are borrowing before you buy

Pay Yourself First

Why you should save, save, save

A Roof Over Your Head

What home ownership and renting are all about

Your Guides

Students from Lakeview High are going to be your guides in this lesson.



Jasmine

Hobbies: Hanging out with friends, shopping, collecting teddy bears

School life: Likes English class, swims on the swim team

Job: Works weekends and holidays at her aunt's gift shop

Family: Younger brother named Dominique, large extended family

Future plans: Go to an in-state college and become an exercise physiologist



Todd

Personality: Shy, good sense of humor, intelligent

School life: Likes school, but does not work very hard at it

Jobs: Two part-time jobs (fast food and a grocery store)

Family: Mom and sister

Future plans: Attend college; he is not sure where he wants to go or how he will pay for it, but is saving all he can

Ramón



Hobbies: Going to the movies or playing mini golf with his girlfriend

School life: Plays on the soccer team

Family: Born in the United States (U.S.), but his parents are from Peru; he has a little sister and an older brother who is a pilot in the Air Force

Job: Repairing computers; wants to work for NASA some day

Future plans: Attend college on a soccer scholarship to study engineering

Grace



Hobbies: Art, drawing fashion sketches

School life: Does not really fit into the “high school scene”

Family: Two parents, no siblings

Job: Works at a clothing store at the mall

Future plans: Enroll in Fashion Design School

Checking In

Welcome



Welcome to *Bank On It!* Learning what you can about the services and functions of a bank will help you choose the right bank for you when the time comes. This module will help you make those choices. You will also learn the steps needed to open a bank account, and the right person to talk to at the bank when you need different services.

Purpose

Bank On It provides an overview of banking services. It is designed to help you build a positive relationship with financial institutions (i.e., banks, thrifts, and credit unions).

Objectives



After completing this module, you will be able to:

- 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.
- 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.

Student Materials

You have a copy of the *Bank On It* Participant Guide. You can take it home and use it as a reference. It contains:

- Information and activities to help you learn the material
- Tools and instructions to complete the activities
- Checklists and tip sheets
- A glossary of the terms used in this module



Pre-Assessment

1. Which of the following are insured financial institutions? Select all that apply.
 - a. Check cashing service
 - b. Banks and thrifts
 - c. Credit unions
 - d. Pawn shop

2. Why should you keep your money in a bank? Select all that apply.
 - a. To keep your money safe and insured
 - b. So you can have fast, easy access to your money
 - c. Because it is cheaper than using other businesses to cash your checks and pay your bills
 - d. To help you get a future loan or line of credit
 - e. All of the above

3. When you apply to open a new bank account, the bank will first:
 - a. Withdraw money from your new account
 - b. Give you an account number
 - c. Ask for your identification (ID)
 - d. Offer you a credit card

4. Which of the following steps will help you from overdrawing your bank account?
 - a. Open the bank account
 - b. Make deposits and withdrawals
 - c. Balance your checkbook one time every year
 - d. Record all transactions in a check register

5. Two types of deposit accounts are:
 - a. Checking and savings
 - b. Money orders and Automated Teller Machines (ATMs)
 - c. Stocks and bonds
 - d. Overdraft protection and checking fees

6. Which account would you use to pay bills and buy goods?
 - a. Savings account
 - b. Checking account
 - c. Non-deposit account

7. In which situation below would you need to see the customer service representative at a bank?
 - a. Cash a check
 - b. Apply for a mortgage loan
 - c. Ask a general question

8. Which of the following are ways to prevent identity theft?
 - a. Protect your numbers (Social Security Number (SSN), credit card, etc.)
 - b. Protect your mail
 - c. Sign up for direct deposit
 - d. All of the above

9. Debit cards can be:
 - a. A quick way to get a small loan
 - b. A way to delay having a purchase come out of your account
 - c. Paid off over time
 - d. Used at many retailers

10. With online banking, you can access your accounts at any time to:
 - a. View your account balance(s)
 - b. Conduct transactions (e.g., transferring money between accounts, paying bills, or ordering checks)
 - c. Download information, including your monthly statement
 - d. Change account information (e.g., address and phone number)
 - e. All of the above

11. If you want to get a loan at a bank, you would most likely work with the:
 - a. Loan officer
 - b. Teller
 - c. Customer service representative
 - d. Bank manager

12. Which of the following is like a check (a document used to pay bills or buy goods)?
 - a. A loan
 - b. A money order
 - c. A remittance
 - d. A money transfer

13. Where can you find information on how a financial institution handles and shares your personal information?
 - a. It is listed in the Truth in Lending Act
 - b. In the Terms & Conditions listed on your account statement
 - c. In a Privacy Notice sent to you by the financial institution
 - d. On the back of your checks



Overview of Banks



A bank is a business that offers you a safe place to keep your money and uses your deposits to make loans. This business is also called a financial institution. Banks offer many financial services.

Why Keep Money in a Bank?



Some reasons might include:

- **Safety** – Money is safe from theft, loss, and fire.
- **Convenience** – You can get money quickly and easily. Using direct deposit, for example, saves you time and allows you quicker access to your money. Funds that are electronically deposited in your account are available sooner than if you deposited a check.
 - You can also use Automated Teller Machines (ATMs) to get fast access to your money. Most ATMs are available 24 hours a day, 7 days a week. You can also use your bank's ATM or debit card to make purchases instead of using cash.
- **Cost** – Using a bank is probably cheaper than using other businesses (e.g., check cashing services) to cash your check or pay bills.
- **Security** – The Federal Deposit Insurance Corporation (FDIC) insures deposits up to the maximum amount allowed by law (currently \$250,000.00 per depositor, per insured bank). This means that the FDIC will return customers' money up to this limit if a bank closes and cannot give its customers their money.
- **Financial future** – Building a relationship with a bank establishes a record of paying bills, can help you save money, and is necessary for getting a loan.

Types of Financial Institutions



There are two major types of insured depository financial institutions:

- **Banks and Thrifts**
Financial institutions that operate under federal and state laws and regulations. Banks and thrifts make loans, pay checks, accept deposits, and provide other financial services.
- **Credit Unions**
Non-profit financial institutions owned by people who have something in common. Credit unions offer many of the same services as banks and thrifts. You have to become a member of the credit union to keep your money there.

You can tell if the FDIC insures a bank by the displayed FDIC logo. Most credit unions are insured by the National Credit Union Administration (NCUA). The deposit insurance rules are the same at NCUA-insured credit unions as they are at FDIC-insured banks.

The FDIC has an online tool called the Electronic Deposit Insurance Estimator (EDIE). You can calculate the insurance coverage of your accounts at each FDIC-insured institution online at www.myfdicinsurance.gov/.

Activity 1: Which is Which?



Choose the correct financial institution for each description. Make a ✓ in the box below the description.

Stars & Stripes Financial Institution is insured by the FDIC. It must follow federal and state laws. You could get a loan, a credit card, or open a checking or savings account here. Which one is it?

- Bank or Thrift Credit Union

Great Financial Institution requires account holders to be a faculty or staff member or student at Great University. The account holders are also the owners. Which one is it?

- Bank or Thrift Credit Union



Choosing a Bank and a Bank Account Checklist

When looking for a bank and a bank account, take the Choosing a Bank and a Bank Account Checklist with you. The questions can help you choose the bank and accounts that are right for you.

*If the financial institution is a credit union, be sure you are eligible to join.	Bank Name/ Account Type _____	Bank Name/ Account Type _____	Bank Name/ Account Type _____
Bank Information			
Does the bank offer the services I need?			
Convenient branches and ATMs?			
Bank hours?			
Do employees speak my language?			
Is it insured by FDIC/NCUA?			
Accounts			
• Requirements for opening account?			
Checking Accounts			
• Minimum opening balance?			
• Minimum monthly balance?			
• Fees?			
• Fee waivers available?			
• Number of withdrawals per month without a fee?			
• Earns interest?			
• Deposit hold times?			
Overdraft Programs			
• Low balance alerts offered?			
• Overdraft fees?			
• Link to a savings account to cover overdrafts? If so, is there a fee?			
Savings accounts			
• Minimum opening balance?			
• Minimum monthly balance?			
• Annual percentage yield (APY)?			
• Fees?			
• Fee waivers available?			

• Withdrawal limits per month?			
• Services available?			
ATM Cards			
• Fees?			
• Fee waivers available?			
• Location/number of ATMs?			
Debit Cards			
• Fees?			
• Fee waivers available?			
• Rebates or bonuses for use?			
• Location/number of ATMs?			
• Debit card transactions requirements or limits?			
Mobile/online banking			
• Is it available?			
• Transaction types and limits?			
• Fees?			
• Fee waivers available?			
• Online bill pay?			
Other Information?			
Total Monthly Costs			
Total Annual Costs			

Opening and Maintaining a Bank Account



Opening and maintaining a bank account is not as difficult as you might think. There are four basic things you have to do:

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

Account Verification

The first thing you need to do to open a bank account is go through a process called account verification. This is for two reasons:

1. The bank needs to make sure that you are who you say you are, and you are able under the law to open a bank account.

2. The bank may want to make sure you will be a responsible bank customer.

The bank will need your name, address, date of birth, Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN), and a state- or government-issued identification (ID) (e.g., school ID, state-issued ID card, driver's license, passport, Matrícula Consular card, or resident alien card).

Banking Terms



No matter what type of financial institution you use, all of them use some basic banking terms that you will have to know in order to open an account.

- **Deposit:** Any time you put money into your account it is called a deposit. Depending on what you deposit—cash, a payroll check, or a check drawn on an out-of-state bank—you may not have immediate use of the funds. The bank must first make sure there are funds at the originating bank (the bank of the person who wrote the check) to cover your check. You should ask the bank when you can use the money you deposited.
- **Balance:** The balance is the amount of money you have in your bank account. Your balance will change whenever you make a deposit or a withdrawal. Remember to record all of those in your check register so that you always know your balance.
- **Withdrawal:** When you make a withdrawal, you take money out of your bank account. You do this when you write a check, give a teller a withdrawal slip, or use an ATM.
- **Deposit and withdrawal slips:** These tell the bank how much money you are adding to or withdrawing from your account.
- **Fees:** Financial institutions may charge you fees for different services, including a monthly maintenance fee to keep your account open and a penalty fee if you misuse your account.
- **Overdraft programs:** Many financial institutions offer options in the event you overdraw your account (i.e., spend more money than you have in your account). You can avoid the merchant's returned check fee, but you still have to pay the financial institution an overdraft fee for each item. Be sure to look carefully at the fees associated with

this service, as the fees can be very costly.

Activity 2: Making Deposits and Withdrawals



The purpose of this exercise is to practice making deposits to and withdrawals from a bank account and keeping track of the balance. Read the scenario carefully. Complete the table and determine the new balance. Be prepared to explain your answers.

Scenario

Carl opened a bank account and deposited \$100.00 in cash. The next day, he withdrew \$40.00 from an ATM. At the end of the week he deposited \$75.00, which he had earned by helping his parents and mowing a neighbor's lawn.

What is the balance in Carl's account after he made the payment (or withdrawal) and deposit?

Description	+/-	Balance
Opening Balance		
Payment/Withdrawal		
Deposit		

Deposit and Non-Deposit Accounts



Bank accounts that allow you to add money to the account are called deposit accounts. Checking and savings accounts are two examples of deposit products.

Checking Accounts

A checking account allows you to pay bills and buy goods with the money you have deposited.

- When you write a check, use an ATM or debit card, or bank online the financial institution takes the money from your account and pays it to the designated person or business.
- The financial institution makes a monthly record of the deposits and withdrawals made available to you either by mail or online. This is called a bank statement.

Bank Versus Check-Cashing Services

Even though banks may charge monthly fees, it is much cheaper to use a deposit account at a bank than a check-cashing service.

When comparing banks to check-cashing services, other benefits include:

- Financial institutions provide the convenience of Internet banking with access to your accounts and information 24 hours, 7 days a week.
- Using a bank account responsibly can help you establish a positive banking relationship, which may be helpful if you apply for a loan in the future (e.g., when buying a car).
- You do not have to worry about cash being lost or stolen.
- You can easily save money for the future.

Savings Accounts

A savings account is a safe place for you to save money. You generally will be paid interest on the money in your savings account. You generally cannot write checks on a savings account.

- You can often open a savings account with a few dollars, but you might pay a monthly fee if the balance is below a certain amount.
- You can keep track of your account balance by reviewing the account statement.

Interest

Interest is a percentage of your balance that the bank pays you for keeping your money at that bank (if the account pays interest). Most saving accounts pay interest.

Non-deposit Accounts

Many banks also offer non-deposit accounts or products that are not insured by the FDIC.

- Stocks, bonds, and mutual funds are examples of non-deposit investment products.
- These carry some level of risk, meaning that you could lose some or all of the money that you invest in these products.

Bank personnel should provide a written explanation that these products are

not insured by the FDIC and may lose value. It is important to understand these products and services before you buy them. You can find out more about non-deposit products through your bank.

ATM and Debit Cards



An ATM card allows you to make deposits to and withdrawals from checking and savings. You can usually check your account balance, print statements, and transfer funds between accounts. Some ATM cards can even be used in stores that accept ATM cards in your bank's network. It works just like a debit card, but is not as widely available.

A debit card, also known as a check card, usually displays a MasterCard or VISA logo. It has all the functions of an ATM card, plus it allows you to pay for goods and services at locations that accept MasterCard or VISA credit cards. It looks like a credit card but it is not. Your purchases are immediately withdrawn from your account.

When you use a debit card to make a purchase, the retailer may ask you to choose whether to process the transaction as a "debit" transaction, where you input your Personal Identification Number (PIN), or a "credit" transaction, where you sign a receipt in place of entering your PIN. Either way, expect the amount of the purchase to be debited from your checking account immediately. Check with your bank to find out whether there are any fees (or incentives) for credit transactions versus debit transactions.

Another kind of card that can be confused with ATM or debit cards is a stored value (or prepaid) card. Stored value cards often have the logo of one of the major payments systems (e.g., American Express, Discover, MasterCard, or Visa) on the card. These branded cards can be used at any merchant or ATM that accepts cards issued through their respective network to pay for goods or services. These cards do not link to your bank account. Therefore, money must be loaded onto these cards, and the value on the card goes down with each purchase.

Common types of stored value cards include:

- *General purpose cards* purchased from retailers. Some come with a

set value, while others require you to “load” (add) money to the card after obtaining it.

- *Gift cards* purchased in fixed amounts. Unlike most other stored value cards, these often can only be redeemed for purchases from particular stores or restaurants.
- *Payroll cards* used by an employer to pay wages instead of giving you a paper paycheck. Payroll cards are different from other types of stored value cards because you do not need to purchase them or pay activation fees since your employer provides the card.
- *Government disbursement cards* provided by government agencies to pay benefits (e.g., unemployment benefits or Social Security).

Additional Banking Services

Banks provide additional services with some deposit accounts, and may charge a fee for these services. It is important to keep track of the fees charged, if any.

The following are common services that banks offer:

- Direct deposit
- Money orders
- Telephone and online banking
- ATMs
- Money transfers
- Debit cards
- Stored value cards
- Loans
- Remittances

Activity 3: Additional Banking Services



Read the description of each service. Choose the banking service that matches it, and fill in the blank with the name of the banking service.

Description of services

1. _____ A method of electronically transferring money from one bank to another.
2. _____ A specific type of money transfer that goes to a bank or a person in another country.
3. _____ A kiosk or terminal where you can deposit, withdraw, or transfer money from one account to

-
- _____ another 24 hours a day.
4. _____ You place a call to check your account balance.
5. _____ This allows you to check your account balance on the computer. It may also include the ability to pay bills and transfer funds between accounts.
6. _____ This is used like a check to pay a bill.
7. _____ One method your employer or a government agency might choose to issue your paycheck or benefits check.
8. _____ Money you borrow from a bank with a written promise to pay it back later.
9. _____ When you use this card to buy something from a store or another business, the money comes out of your bank account immediately.
10. _____ A card onto which you can load money to be used for future purchases.
-

Privacy Notices and Opting Out



Your Information is Private

Privacy notices explain how financial institutions and companies handle and share your personal financial information. They explain what information can be collected and how you can possibly limit your information from being shared with others.

Privacy notices also explain how your personal financial information is protected. You will receive an initial privacy notice when you open an account and then every year thereafter.

Federal law requires financial institutions to keep your personal financial information private. The general public does not have access to your personal financial information. Federal privacy laws give you the right to stop or “opt out” of some sharing of your personal financial information.

Opting Out

If you prefer to limit the promotions you receive, or if you do not want marketers and others to have your personal financial information, you must:

1. Review the privacy notice to determine whether the company shares information with others, and if so, how you can opt out.
2. Tell the credit reporting agencies not to share your information with lenders and insurers who use the information to decide whether to send you unsolicited offers of credit or insurance.

You can also opt out of receiving prescreened offers by:

- Calling **1-888-5-OPTOUT (567-8688)**
- Visiting www.optoutprescreen.com

If you opt out, you limit the extent to which the company can provide your personal financial information to non-affiliates, or groups outside of the company.

You cannot opt out and completely stop the flow of all your personal financial information. The law permits financial companies to share certain information about you without giving you the right to opt out. Among other things, your financial company can provide to non-affiliates:

- Information about you to firms that help promote and market the company's own products or products offered under a joint agreement between two financial companies
- Records of your transactions, including your loan payments and credit card or debit card purchases, to firms that provide data processing and mailing services for your company
- Information about you in response to a court order
- Your payment history on loans and credit cards to credit reporting agencies

Protecting Yourself from Identity Theft



Identity Theft

Identity theft is when a criminal steals your personal information (e.g., your SSN, birth date, or credit card numbers) and uses it to commit fraud or other crimes.

Common Forms of Identity Theft

Phishing and pharming are common forms of identity theft.

Phishing is when criminals:

- Send out unsolicited emails that appear to be from a legitimate source: perhaps from your bank, school, well-known merchants, your Internet service provider, or even a trusted government agency (e.g., the FDIC)
- Attempt to trick you into divulging personal information

Pharming is similar to email phishing as follows:

- Criminals seek to obtain personal or private information by making fake websites appear legitimate
- Your browser will even show that you are at the correct website
- This makes pharming more difficult to detect than phishing
- Also be careful of skimming. This is when criminals steal credit/debit card numbers by using a special storage device when processing your card.

Online Shopping Security

Here are a couple of tips to help you do business safely online:

1. Make sure the Internet site is secure before you use your credit card or enter personal information. Most web browsers will have a symbol (e.g., padlock) to identify whether the site is secure.
2. When shopping online, deal with reputable merchants and be wary of unbelievably low prices. If you are uncertain about an online merchant, check with the Better Business Bureau Online (www.bbbonline.com). You can also search online for complaints about the business.

Identity Theft Tips

Tips to avoiding identity theft include:

- **Protect your Social Security number, credit or debit card numbers, PINs, passwords, or any other confidential information and never give them out in response to an unsolicited email, text message, or phone call, regardless of who the source supposedly is.** Legitimate organizations would not ask you for these details



because they already have the necessary information, or can obtain it in other ways. Do not respond to these calls, emails, or advertisements.

- **Ignore online 'friend' invitations from people you do not know because they may be covers for fraud artists.** Be careful about the profile and contact information you post on social-networking and employment-related websites because in the wrong hands it can lead to identity theft and other crimes.
- **Protect your computer.** For example, install a free or low-cost firewall to stop intruders from gaining remote access to your personal computer (PC). Download and frequently update security patches offered by your operating system and software vendors to correct weaknesses that a hacker might exploit. Use passwords that will be hard for hackers to guess. For example, use a mix of numbers, symbols, and letters instead of easily guessed words. Also, shut down your PC when you are not using it. For practical tips to help you guard against Internet fraud, secure your computer and protect your personal information visit www.OnGuardOnline.gov.
- **Guard your mail,** both your outgoing mail (by depositing letters in locked mailboxes or at the post office) and your incoming mail (pick up your mail as soon as possible or use a locked mailbox).
- **Keep your financial trash “clean.”** Shred old bank statements or other documents containing personal information before throwing them away. Before selling, donating, or disposing of a PC, use special software to completely erase files that contain financial records, tax returns, and other personal information.
- **Beware of offers that seem too good to be true.** Con artists often pose as charities or business people offering jobs, rewards, or other “opportunities.” Be extremely suspicious of any offer that involves “easy money” or “quick fixes.” Be careful if you are being pressured to make a quick decision. Also beware of any transaction for which you receive a cashier’s check made out for more money than the amount due to you with a request to wire back the difference—you could lose a lot of money if the check is fraudulent.
- **Be alert to signs that require immediate attention.** These include bills that do not arrive as expected, unexpected credit cards or bank

statements, and calls or letters about purchases you did not make.

- **Review your bank statements, bills, and credit report for suspicious activity.** Monitor your bank statements each month, and contact your financial institution immediately if you notice something suspicious (e.g., a missing payment or an unauthorized withdrawal). While federal and state laws may limit your losses if you are a victim of fraud or theft, to fully protect yourself, you need to report the problem quickly. Contact your institution if a bank statement or credit card bill does not arrive on time. Missing financially related mail could be a sign someone has stolen your mail and/or account information, and may have changed your mailing address to run up big bills in your name from another location. Review your credit report once a year—even if you do not have any loans or credit cards—to look for accounts or inquiries you did not authorize. If you suspect you are a victim of identity theft, contact your creditors immediately.

Activity 4: Identity Theft Tips



Read each scenario and answer the questions. Check the box of the correct answer.

1. You answer the phone one evening at home. The voice on the other end is offering a free weekend trip to a ski resort, but to get your coupon you must give a credit card number. It sounds like a great idea. Do you give the number?
 Yes! I need a vacation!
 No way! They could use the number to commit fraud.
2. You receive an email from someone who says they are in your math class, but you do not know them. They say that they need to get on the school network to check homework, but they lost their password. They want to “borrow” yours. Should you give it to them?
 Yes! We had homework tonight so it must be someone from class.
 No way! It could be anybody trying to do damage to your login account.

3. You call your bank to find out if a deposit was posted to your account. They ask you for your SSN to verify your identity. Do you give it to them, or hang up?
 - Give it to them. If you called the institution, you know it is legitimate and OK to give information to receive the service you need.
 - Hang up. You should never give out information over the phone.

4. Your dad just paid all the family bills for the month. He hands you a stack of bill stubs and asks you to throw them away. Should you:
 - Trash them. You do not want to disobey your dad.
 - Ask him to borrow a pair of scissors to cut them up before you throw them away, so no one else can get his information from them.

5. You receive a letter in the mail from a well-known credit card company. It says they are “concerned about recent activity on your account” and they want to protect their customers. But you have never had a credit card with that particular company. There is a 1-800 number to call to speak with a fraud service representative. Should you call it?
 - Yes, you should make sure that the number you are instructed to call is really the credit card company’s phone number, and then call the phone number find out if it is true or not.
 - No, they will ask for private information from you and you know not to give it out.



Did Someone Steal Your Information?

No matter how carefully you protect yourself online, if your wallet or purse is stolen or someone obtains your personal information, you may become a victim of identity theft. Here is what to do if you lose your wallet or think you are a victim of identity theft:

- File a report with the police as soon as possible. Keep a copy of the report in case your bank or insurance company needs proof of the crime.
- Contact your bank as soon as possible. You may have to close your account, cancel your ATM or debit card, open a new account

(checking and/or savings), and request a new ATM or debit card with a new number and password.

- Place a fraud alert on your credit report by calling any of the major credit reporting agencies:
 - **Equifax: 1-800-525-6285**
 - **TransUnion: 1-800-680-7289**
 - **Experian: 1-888-397-3742**
- Contact the major check verification companies to request that they notify all stores that use their databases to not accept your lost checks. You can also ask your bank to notify the check verification service with which it does business. Two of the check verification companies that accept reports of check fraud directly from consumers are:
 - **TeleCheck: 1-800-366-2425**
 - **Certegy: 1-800-437-5120**

For more information, visit the Federal Trade Commission (FTC) at <http://www.ftc.gov/idtheft/>.

Tour of a Bank



Important Bank Employees

Financial institutions have various employees to help you with different banking services. Understanding their roles helps you know who you should talk to when you go to the bank. While the exact job title of these employees varies from bank to bank, the job duties are similar. Some key bank employees to be familiar with are:

- Customer service representative
- Teller
- Loan officer
- Branch manager

Activity 5: Bank Employee Role Play



Role Play Scripts

As the **Customer Service Representative**, I can:

- Help you open your account
- Explain services

- Answer general questions
- Refer you to a person who can help you
- Provide written information explaining the bank products

Hi, I am the teller. A **bank teller** will:

- Deposit your money for you
- Cash your checks
- Answer questions
- Refer you to the person who can help you with other bank services

Hi, I am the **loan officer**. If you need a loan, I can:

- Take applications for loans offered at the bank
- Answer questions
- Provide written information explaining loan products
- Help you fill out a loan application

Hi, I am the **branch manager**. I will:

- Supervise all the bank operations that take place at this branch
- Help fix the problems that other employees cannot solve



Here are some 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.



Module Summary



Congratulations! You have completed the *Bank On It* module. You learned about:

- Types of insured financial institutions
- Basic banking terms
- Opening and maintaining a bank account
- Differences between banks and check-cashing services
- Types of accounts
- Types of banking services
- Bank employees and their jobs

You should now be able to take this information and begin using a bank.



Knowledge Check

1. Which of the following products are not FDIC insured?
 - a. Stocks and savings account
 - b. Savings and checking accounts
 - c. Stocks and mutual funds
 - d. Checking account and mutual funds

2. Which type of financial institution requires you to be a member in order to keep your money there?
 - a. Banks and thrifts
 - b. Credit unions
 - c. Money markets
 - d. Individual Retirement Accounts (IRAs)

3. What type of account is typically insured by the FDIC?
 - a. Deposit account
 - b. Non-deposit investment

4. Deposit accounts generally offer which of the following banking services?
 - a. Direct deposit
 - b. Telephone and online banking
 - c. ATM and debit cards
 - d. All of the above

5. A stored value card is a:
 - a. Card onto which you can load money to be used for future purchases
 - b. Money transfer that goes to a bank or a person in another country
 - c. Document that is used like a check to pay a bill
 - d. Method of electronically transferring money from one bank to another

6. A _____ is the best person to help you deposit or withdraw money from your account.
 - a. Customer service representative
 - b. Teller
 - c. Loan officer
 - d. Branch manager

7. During account verification, the bank will:
 - a. Withdraw money from your new account
 - b. Give you an account number
 - c. Ask you for ID
 - c. Offer you a credit card

8. A debit card:
 - a. Is used to make purchases at retail locations and ATM cash withdrawals
 - b. Has a “buy now, pay later” feature, like credit cards
 - c. Is similar to a gift card from a retail store

9. Two types of non-deposit accounts are:
 - a. Checking and savings
 - b. Money orders and ATMs
 - c. Stocks and bonds
 - d. Overdraft protection and checking fees

10. Debit cards can be:
 - a. A quick way to get a small loan
 - b. A way to delay having a purchase come out of your account
 - c. Paid off over time
 - d. Used at many retailers

11. The five advantages of using a financial institution are safety, convenience, cost, security, and financial future.
 - a. True
 - b. False

12. Federal privacy laws give you the right to stop or “opt out” of some sharing of your personal financial information.
- a. True
 - b. False
13. How can you protect yourself from identity theft? Select all that apply.
- a. Keep a copy of your PIN in your wallet or purse should you forget the number
 - b. Use secure mailboxes for incoming and outgoing mail
 - c. Review your bank statements regularly for any suspicious transactions
 - d. Share personal information in response to an incoming call or email from a stranger

Glossary

Automated Teller Machine (ATM): A kiosk or terminal where you can deposit, withdraw, or transfer money from one account to another 24 hours a day.

Balance: The amount of money you have in your bank account.

Bank: A business that offers you a safe place to keep your money and uses your deposits to make loans. This business is also called a financial institution.

Bank Statement: A monthly record of the deposits and withdrawals made.

Checking Account: A bank account that lets you write checks to pay bills or to buy goods.

Credit Union: A non-profit financial institution owned by people who have something in common. You have to become a member of the credit union to keep your money there.

Deposit: Money you add to your bank account.

Deposit Account: A bank account that allows you to add money to the account.

Deposit Slip: A piece of paper that tells the bank how much money you are adding to your account.

Direct Deposit: One method your employer or a government agency might choose to give you your paycheck or benefits check.

Interest: A percentage of your balance that the bank pays you for keeping your money at that bank. Not all accounts pay interest.

Loan: Money you borrow from a bank with a written promise to pay it back later.

Minimum Balance: A certain balance that banks might require you to have to open an account, earn interest, or avoid fees.

Money Order: It is similar to a check. It is used to pay bills or make purchases when cash is not accepted.

Privacy Notice: A written explanation of how the company handles and shares your personal financial information.

Remittance: A money transfer that goes to a bank or a person in another country.

Savings Account: A bank account that earns interest.

Thrift: A financial institution that operates under federal and state laws and regulations. Thrifts make loans, pay checks, accept deposits, and provide other financial services.

Withdrawal: Money you take out of your bank account.

Wire Transfer: A form of money transfer from one bank to another.

For Further Information

Federal Deposit Insurance Corporation (FDIC)

www.fdic.gov/consumer

1-877-ASK-FDIC (275-3342)

Visit the FDIC's website for additional information and resources on consumer issues. For example, every issue of the quarterly *FDIC Consumer News* provides practical hints and guidance on how to become a smarter, safer user of financial services. Also, the FDIC's Consumer Response Center is responsible for:

- Investigating all types of consumer complaints about FDIC-supervised institutions
- Responding to consumer inquiries about consumer laws and regulations and banking practices

U.S. Financial Literacy and Education Commission

www.mymoney.gov

1-888-My-Money (696-6639)

MyMoney.gov is the U.S. Government's website dedicated to teaching all Americans about financial education. Whether you are planning to buy a home, balance your checkbook, or invest in your 401k the resources on MyMoney.gov can help you. Throughout the site you will find important information from federal agencies.

Federal Consumer Information Center

www.pueblo.gsa.gov

1-800-688-9889

The Federal Consumer Information Center (FCIC) provides free online consumer information to help the public. The FCIC produces the Consumer Action Handbook, which is designed to help citizens find the best sources for assistance with their consumer problems and questions.

Federal Trade Commission

www.ftc.gov/credit

1-877-FTC-HELP (382-4357)

The Federal Trade Commission (FTC) website offers practical information on a variety of consumer topics, including privacy, credit, and identity theft. The FTC also provides guidance and information on how to select a credit counselor.