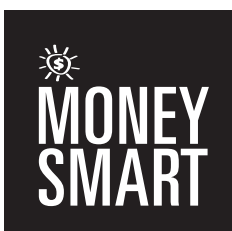


## **MODULE 2:** **You Can Bank On It**

**INSTRUCTOR GUIDE**



**MONEY SMART for Adults**

SEPTEMBER 2018



The Federal Deposit Insurance Corporation is an independent agency created by the Congress to maintain stability and public confidence in the nation's financial system. One way we do that is by providing free, non-biased financial education materials, including this Instructor Guide. For more information about our family of Money Smart products, visit **[www.fdic.gov/moneysmart](http://www.fdic.gov/moneysmart)**.

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# Background Information for Instructors

Welcome to the FDIC's Money Smart for Adults!

This is the Instructor Guide for **Module 2: You Can Bank On It**. This module consists of three tools:

- **This Instructor Guide**
- **The Participant Guide**—for participants to use during training and refer to after training
- **The PowerPoint slides**—for you to use during the training

The curriculum also includes a *Guide to Presenting Money Smart for Adults*. This resource offers practical tips for marketing your training, setting up your training space, supporting participants with disabilities, and delivering the training. It also offers learning pathways to help you choose modules and perhaps sections within modules to include in the training. If you don't already have the *Guide to Presenting Money Smart for Adults*, download it at [www.fdic.gov/moneysmart](http://www.fdic.gov/moneysmart).

## Training Preparation Checklist

Use this checklist to prepare for training.

- ☐ **Review the Instructor Guide, Participant Guide, and PowerPoint Slides** to learn how they work together.
- ☐ **Familiarize yourself with the topics.** The Instructor Guide includes scripting to help you explain core content. You can read the scripting as-is to participants. Or, you can present the information in your own style.
- ☐ **Review the *Try It* and *Apply It* activities in the Participant Guide.** Every module includes both types of activities. Many are designed to be included during the training session. Others are flagged with a Note to Instructor that gives you the option of reviewing, starting, or completing them during the training, or encouraging participants to complete them after training.

Activities make the training more engaging and help participants retain the material. It's generally better to cut content rather than activities if you are short on time.

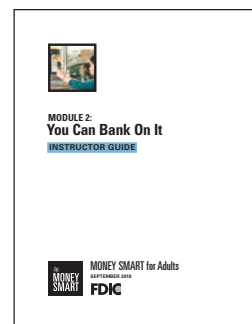
- ☐ **Review the *Guide to Presenting Money Smart for Adults*** for tools and information that can help you plan and deliver training. This resource includes information on making your training accessible and welcoming to all participants, including participants with disabilities.
- ☐ **Select the materials that you plan to use.** Ideally, do so by considering the needs or goals of the participants. The *Module at a Glance Table* near the front of each Instructor Guide can help you decide whether to cover modules in their entirety or only certain sections of the modules.
- ☐ **Plan to make your training culturally appropriate.** This means communicating respectfully, and also presenting the material in a way that is relevant to the lives of participants.
  - For example, when you discuss ways to cut expenses, participants may not relate to cutting out a daily coffee purchase if they don't normally buy coffee every day. Use examples participants can relate to, which may be different from examples from your own experience.
- ☐ **Consider having each of your training sessions include:**
  - **An overview:** Welcome participants and explain the training purpose and objectives. Provide a quick orientation to materials.
  - **An introductory activity:** Energize participants with a fun activity to introduce them to one another and get them ready to learn. This can be an effective way to start training, especially if it is the first time the group has been together. See the *Guide to Presenting Money Smart for Adults* for optional introductory activity ideas.
  - **Pre- and post-training surveys:** Administer the pre-training survey before training starts and the post-training survey at the end of training. Using the surveys can help you evaluate training effectiveness and tailor your training approach for future sessions.
- ☐ **Give each participant a Participant Guide.** Consider making it available electronically if you cannot provide paper copies. Also, some participants may need it electronically as a reasonable accommodation. If you deliver only part of a module, you might want to provide only those sections of the Participant Guide. Hide the slides you won't be using. The *Guide to Presenting Money Smart for Adults* has more information on hiding slides.

## Materials You May Need

- ☐ This Instructor Guide
- ☐ Copies of the Participant Guide
- ☐ PowerPoint file, and either:
  - Computer, projector, and screen for projecting the slides, or
  - Printed or electronic copies of the slides for participants
- ☐ Flip chart(s) and/or whiteboard(s)
- ☐ Markers for writing on flip chart(s) and/or whiteboard(s)
- ☐ Large self-adhesive notes (5" x 8"), card stock, or paper for making signs
- ☐ Tape that can be easily removed from the wall, such as painter's tape
- ☐ Pens or pencils for participants

### Optional Materials:

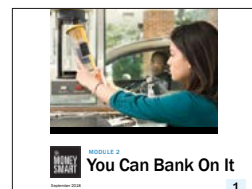
- ☐ Parking Lot for questions—Create one by writing "Parking Lot" on the top of a flip chart or whiteboard
- ☐ Supplies for the Optional Introductory Activity—Choose an activity from the *Guide to Presenting Money Smart for Adults* or use your own



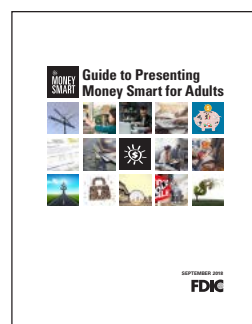
**Instructor Guide**



**Participant Guide**












**PowerPoint presentation**



**Guide to Presenting Money Smart for Adults**

## Understanding the Icons

This Instructor Guide uses several icons to help you quickly navigate the training.

 <b>Do</b>	Actions you take as the instructor
 <b>Say</b>	Information you share verbally with participants
 <b>Ask</b>	Questions you pose to participants
 <b>Share Key Takeaway</b>	When you convey the primary message of a section
 <b>Lead Discussion</b>	When you facilitate discussions
 <b>Lead Activity</b>	When you facilitate activities
 <b>Present Information</b>	When you present information
 <b>Take Action and Closing</b>	When you help participants plan action steps to apply what they learned
 <b>Scenario</b>	When you use a short story to start a discussion or activity about a financial topic



## Module Purpose

This module covers banking services and is designed to help participants build a positive relationship with a financial institution.

This module also:

- Describes financial products and services available at financial institutions
- Provides information on selecting financial products, services, and providers
- Explains basic steps for opening and managing checking and savings accounts
- Describes prepaid cards, how they work, and tips for using them

## Module at a Glance Table

You can cover all or only part of this module.

We estimate you need **3 hours and 25 minutes** to cover the entire module, not including breaks or an optional introductory activity. You can use this table to select sections based on the time you have available and the needs of participants.

The *Guide to Presenting Money Smart for Adults* includes additional information on selecting sections for specific audiences.

Section	Key Takeaway	Purpose / Objectives	Time
Module Opening	N/A	<ul style="list-style-type: none"> <li>■ Welcome participants</li> <li>■ Administer the pre-training survey</li> <li>■ Lead an Optional Introductory Activity (extra 5 to 20 minutes)</li> </ul>	10 minutes
Section 1: Financial Products, Services, and Providers	Consider your needs and shop around for financial products and services.	Participants will be able to: <ul style="list-style-type: none"> <li>■ Identify financial management needs</li> <li>■ Define deposit insurance and explain its benefits</li> <li>■ Describe deposit, credit, and other services available at financial institutions</li> <li>■ Select financial products, services, and providers based on personal needs and preferences</li> </ul>	1 hour and 5 minutes

*continued on next page*

**Module at a Glance Table *continued***

Section	Key Takeaway	Purpose / Objectives	Time
Section 2: Opening an Account	Know the general process for opening a savings or checking account, including options if you are initially unable to open an account.	Participants will be able to: <ul style="list-style-type: none"> <li>■ Describe the benefits of a savings or checking account</li> <li>■ List what is generally needed to open an account with a financial institution and the steps involved</li> <li>■ Explain how banking history reports are relevant to opening a checking or savings account</li> <li>■ Explain how to get a banking history report and dispute incorrect information</li> <li>■ Identify options for opening an account despite challenges</li> </ul>	20 minutes
Section 3: Managing an Account	Learn the rules of your account and keep track of how you use it. This can help you keep costs down and develop a positive banking relationship.	Participants will be able to: <ul style="list-style-type: none"> <li>■ Explain how to manage checking and savings accounts effectively</li> <li>■ Identify the parts of a check</li> <li>■ Track transactions in a register and relate this to a mobile transaction platform</li> <li>■ Explain how ATM cards, debit cards, mobile apps and person-to-person transfers work</li> </ul>	1 hour
Section 4: Prepaid Cards	Prepaid cards allow you to spend or access money loaded onto them. They usually aren't linked to a checking or savings account. Before you use one, review its features and fees.	Participants will be able to: <ul style="list-style-type: none"> <li>■ Explain how a prepaid card works</li> <li>■ List common features of prepaid cards</li> <li>■ List tips for using prepaid cards effectively</li> </ul>	40 minutes
Module Closing	N/A	<ul style="list-style-type: none"> <li>■ Review the key takeaways</li> <li>■ Help participants think about how they will apply what they learned</li> <li>■ Administer the post-training survey</li> </ul>	10 minutes

# Module Opening

## Welcome Participants as They Arrive

Time Estimate for This Section: 10 minutes

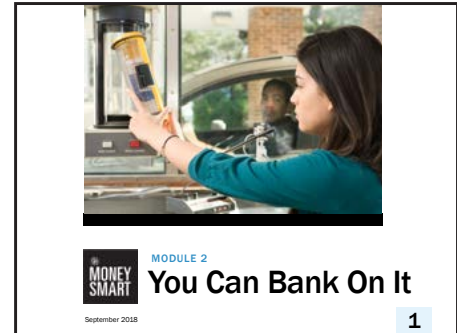
### SHOW SLIDE 1



#### DO

As participants arrive for the training, use this time to:

- Welcome them and introduce yourself
- Ask them to sign in for the training if you are using a sign-in sheet
- Ensure any requested reasonable accommodations are in place and make any necessary adjustments



### LEAD ACTIVITY

## Pre-Training Survey

See page 42 in the Participant Guide.

**Note to Instructor:** Before training starts, you can ask participants to complete the pre-training survey in the back of their Participant Guide. You may want to give them “loose” copies so they don’t have to tear them out. The knowledge questions are the same as those in the post-training survey.

The answer key is at the end of this Instructor Guide, but don’t share the answers now.

You may decide to compare pre-training surveys to post-training surveys to estimate knowledge gains of the entire group or for each participant. If you want to estimate by participant, ask them to write their last name or some other unique identifier on both their pre- and their post-training surveys so you can compare them for a given participant.

**SHOW SLIDE 2****SAY**

- Thank you for coming to this Money Smart Training called “**You Can Bank On It.**”
- Please complete the pre-training survey on page 41 of your Participant Guide to give me an idea of what you may already know about this topic.
  - It should take less than five minutes to complete.

**Pre-Training Survey**  
See page 41 in your Participant Guide

**Pre-Training Survey**  
Your instructor may ask you to complete this pre-training survey before the training begins.

Please answer these questions:

1. It's not important to shop around for financial products, services, or providers.	True	False
2. If you have a negative banking history report or credit history, you cannot open an account at a financial institution.	True	False
3. Successful management of a checking account includes understanding the rules of the account.	True	False
4. All prepaid cards charge the same fees.	True	False
5. Your money in an FDIC insured	True	False

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**DO**

- Collect the completed surveys if you plan to review them or compare them to post-training surveys.

**PRESENT INFORMATION****Parking Lot and Participant Guide****SAY**

- I've created a Parking Lot to capture questions, concerns, ideas, and resources. You and I can add items anytime during the training, and I'll address them during breaks or at the end of training.
- You have a Participant Guide to use during and after this session. It's yours to keep, so you can take notes and write in it.

**LEAD ACTIVITY****Optional Introductory Activity**

**Adds an additional 5 to 20 minutes,** depending on the activity you select and the number of participants

**DO**

- Lead participants through an introductory activity.
- Time permitting, you may also want to show a short video related to the subject of this module or start with an “energizer” of your choice.

**Note to Instructor:**

If time permits, start the training with a fun activity from the *Guide to Presenting Money Smart for Adults* or use your own.

This is a great way to get participants energized and ready to learn!



## Section 1: Financial Products, Services, and Providers

**Training Time Estimate for This Section:** 1 hour 5 minutes

### Objectives

Participants will be able to:

- Identify financial management needs
- Define deposit insurance and explain its benefits
- Describe deposit, credit, and other services, available at financial institutions
- Select financial products, services, and providers based on personal needs and preferences



PRESENT INFORMATION (1 MINUTE)

## Introduction to Section and Key Takeaway

See page 4 in the Participant Guide.

### SHOW SLIDE 3



SAY

- We will discuss how your needs should determine which financial products, services, and providers you select.

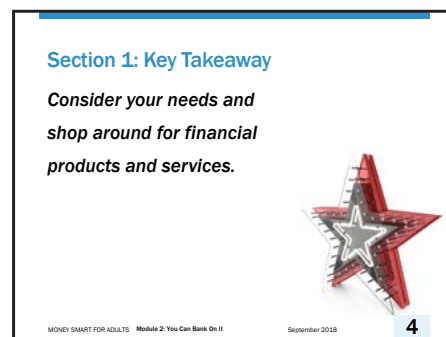


### SHOW SLIDE 4



SAY

- The key takeaway from this section is: **Consider your needs and shop around for financial products and services.**



PRESENT INFORMATION (5 MINUTES)

## Financial Institutions: Banks and Credit Unions

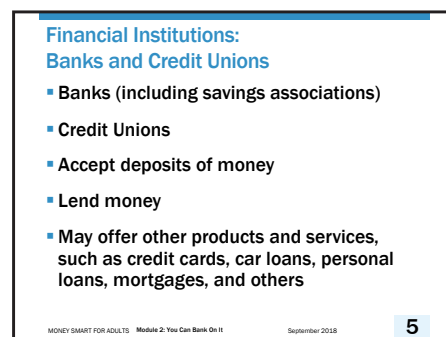
See page 4 in the Participant Guide.

### SHOW SLIDE 5



SAY

- Banks and credit unions are financial institutions. They offer a wide range of products and services to help you manage your money.
- The term “bank” also includes savings associations.
- Financial institutions accept deposits and loan money. They also offer checking accounts and savings accounts. They may also offer credit cards, loans, mortgages, and other products and services.
  - Savings accounts, checking accounts, and certificates of deposit are examples of deposit accounts.





- » These accounts may pay interest. Interest is what the financial institution pays you for keeping your money there.
- » Savings accounts pay interest. Checking accounts may or may not interest.
- » If the account pays interest, the more money you deposit and the longer you keep it there, the more interest you will likely earn.
- People can also borrow money from financial institutions. This means the financial institution lends money.
  - » Offering credit cards, auto loans, student loans, and mortgages are examples of lending money.
  - » You usually pay interest when you borrow money. You may also pay other fees.
  - » How much interest you pay depends on the interest rate, how much money you borrow, and how long you borrow it.
  - » The interest rates financial institutions charge for loans are generally higher than the interest rates they pay on money in deposit accounts. This is one way they make money.

**SHOW SLIDE 6****SAY**

- Banks and credit unions are similar, but they have some key differences.
  - Banks have customers. Credit unions have members.
    - » You have to meet a credit union's criteria for membership to open an account. This may be based on where you work, live, or worship; on military service; or on the associations you or your family belong to.
    - » Banks generally do not have these limitations on who can open accounts.
  - Credit unions are not-for-profit organizations owned by their members.
  - Most banks are owned by shareholders, which means they are for-profit businesses. Other banks are owned by the people who deposit their money there – these may be called mutual non-stock institutions or “mutuals.”

Differences Between Banks and Credit Unions	
Banks	Credit Unions
Customers	Members
Usually no membership criteria	Membership criteria
Most are owned by shareholders	Not-for-profit organizations owned by members

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- The products and services that financial institutions offer can differ. Most will offer at least one basic checking account and savings account product. But other products and services may vary, such as the option to access your account on a mobile device or the availability of automated teller machines (ATMs) you can use for free.
- Banks and credit unions are regulated and insured to keep your money safe.



PRESENT INFORMATION (3 MINUTES)

## Deposit Insurance

See page 5 in the Participant Guide.

### SHOW SLIDE 7




#### SAY

- The Federal Deposit Insurance Corporation or FDIC is an independent agency of the United States government. It protects the funds depositors place in FDIC-insured banks.
- Since the FDIC was established in 1933, no depositor has lost a penny of FDIC-insured funds.
- FDIC deposit insurance protects you if the bank fails, meaning that it is closed down by the government.
- The FDIC insures deposit accounts at banks, including savings accounts, checking accounts, and certificates of deposit. It also insures cashier's checks, money orders, and other official items issued by an FDIC-insured bank.
- FDIC insurance does not cover other financial products and services that banks may offer, such as stocks, bonds, or mutual funds.
- You will notice that banks mention they are a member of the FDIC when you visit a branch or their website.
- The FDIC provides insurance of at least \$250,000 per depositor, per FDIC-insured bank, per ownership category—single account, joint account, certain retirement accounts, for example.
  - To verify that a financial institution is FDIC-insured, click on “Bank Find” at **www.fdic.gov** or contact the FDIC’s toll-free Call Center at 1-877-275-3342.
  - To learn more about deposit insurance, including what accounts are and are not FDIC-insured, visit **www.fdic.gov/deposit**

### Deposit Insurance—For Banks

**Federal Deposit Insurance Corporation**

- Protects funds depositors place in federally insured banks in case of bank failure
- Insurance up to at least \$250,000 per depositor, per FDIC-insured bank, per ownership category



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**SHOW SLIDE 8****SAY**

- The National Credit Union Administration (NCUA) insures deposits at credit unions. NCUA insurance is called “share insurance.”
  - To verify that a credit union is NCUA-insured, go to **<http://mapping.ncua.gov>** or contact the NCUA toll-free at 1-800-755-1030.
  - You can learn more about credit unions at **[www.mycreditunion.gov](http://www.mycreditunion.gov)**.
- NCUA insurance rules are similar to those of the FDIC.

**Share Insurance—For Credit Unions**

**National Credit Union Administration**

- Protects funds depositors place in federally insured credit unions
- Insurance rules are similar to those of the FDIC



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**PRESENT INFORMATION (2 MINUTES)****Accessing Services**

See page 5 in the Participant Guide.

**SHOW SLIDE 9****SAY**

- Financial institutions may offer access through:
  - Retail locations (branches)
    - » When you have an account with a bank or credit union that has multiple branches, you can use any of those branches to meet your banking needs.
  - Automated teller machines (ATMs)
  - Customer service phone numbers and email
  - Websites that offer online account access
  - Mobile banking services including smartphone apps
    - » Later in the training, we will talk about online or mobile banking, including bill-paying services. We'll also cover mobile “person to person” payments (P2P).
- If you need a reasonable accommodation to access services, let the financial institution know. For example, financial institutions may:
  - Use relay calls including video relay
  - Arrange to have a sign language interpreter onsite

**Accessing Services**

- **Access services through:**
  - Retail locations
  - Automated teller machines (ATMs)
  - Customer service phone numbers and email
  - Websites
  - Mobile banking and smartphone apps
- **Request reasonable accommodations if needed**

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- Offer materials in audio and Braille formats
- Provide ATMs that have accessibility features, such as voice instructions or Braille on the ATM keypad
- Provide captioned videos on websites and other features to enhance accessibility



PRESENT INFORMATION (15 MINUTES)

## Products and Services Available at Financial Institutions

See page 6 in the Participant Guide.

### SHOW SLIDE 10



**SAY**

- Financial institutions offer three general types of products and services:
  - Deposit products (such as checking and savings accounts)
  - Credit products (such as loans and credit cards)
  - Other products and services (such as cashier's checks and money orders)

**Products and Services Available at Financial Institutions**

- Deposit products
- Credit products
- Other products and services

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### SHOW SLIDE 11



**SAY**

- Deposit products include savings accounts, checking accounts, certificates of deposit, and money market accounts.
- With both checking and savings accounts, direct deposit allows your money to be safely and securely electronically deposited into your account.
- **A savings account is used to set money aside for the future.**
  - People usually use savings accounts for money they do not expect to need or use on a regular basis.
    - » In fact, there are generally limits on how often you can take money out of a savings account.
    - » There are generally no limits to how often you can deposit money into a savings account.
  - Money in a savings account earns interest.

**Deposit Products include...**

- Savings accounts
- Checking accounts
- Certificates of deposit
- Money market accounts

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**■ A checking account is a transaction account.**

- It is designed for individuals to deposit money into it, and take money out of it frequently.
  - » People usually use checking accounts to keep their money available for paying bills and withdrawing money for regular use.
- Money in a checking account may earn interest.

**■ A certificate of deposit (CD) is used to set money aside for the future. It is not the same as a savings account.**

- You need to keep money in a CD for a certain period of time or you will likely have to pay a penalty or lose some or all of the interest you earned. The required time could be three months to five years or more. There may be a required minimum deposit.
- CDs typically offer a higher rate of interest than regular savings accounts.

**■ Money market accounts may also be offered by some financial institutions.**

- These accounts usually pay a higher rate of interest and require a higher minimum balance than some other account options.
- They do not require that the money remain on deposit for a certain period of time like CDs do.

**SHOW SLIDE 12****SAY**

- With credit products, you borrow money from a financial institution. You usually pay interest on the amount you borrow.
- Credit products include:
  - Credit cards
  - Lines of credit
  - Installment loans
  - Mortgages
- **Credit cards** are revolving credit. That means you can borrow money over and over again up to your credit limit as long as you pay at least the minimum payment amount by the due date shown on the monthly credit card statement.
- **Lines of credit** are similar to a credit card and allow you to borrow money up to a certain amount.
- **Installment loans** are generally repaid in equal payments over a number of months or years.

Credit Products include...

- Credit cards
- Lines of credit
- Installment loans
- Mortgages

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- Installment loans can be used to finance consumer items, such as appliances, cars, trucks, education, or personal expenses.
- The final payment on some installment loans may be different than the regular payment amount.
- **Mortgages** are loans secured by your home, usually to purchase it or refinance an existing mortgage. They are usually installment loans.

**SHOW SLIDE 13****SAY**

- Other products and services help you manage your money, send money somewhere else, or pay bills, for example.
- Let's talk briefly about some of these other products and services.

Other Products and Services include...	
Check cashing	Automated teller machines (ATMs)
Money orders	ATM cards
Prepaid cards	Online or mobile banking and bill-paying services
Debit cards	"Person-to-person" payments (P2P)
Cashier's checks	Remittance transfers

**DO**

- Starting with "check cashing," give participants an opportunity to define each term.
- Use the information below to add to or correct the answers offered by participants.
  - **Check cashing** – This is converting a check to cash. You will generally not have to pay a fee to cash a check at a financial institution where you have an account.
  - **Money orders** – Money orders can be used to send money, such as to pay bills.
    - » With a money order, you provide the amount of money you want to pay someone plus a fee to a bank, store, or the U.S. Postal Service. They then give you a piece of paper (the money order) that may look like a check that you can use to send the money. You do not need an account at a financial institution to get a money order.
  - **Prepaid cards** – With prepaid cards, you are spending the money deposited onto them. They usually aren't linked to your checking or savings account. Instead, you (or someone else, such as your employer) load funds onto the card and then you use those funds to make purchases and get cash. Each time you use the funds, the balance on the prepaid card goes down by the amount you used. Sometimes you have to pay fees to use the money on a prepaid card.

- **Debit cards** – With debit cards, you are spending the money that is in your checking or savings account. Each time you use the card, the balance in your account goes down by the amount you used, and possibly also by the amount of a fee. Debit cards can be used at automated teller machines (ATMs). They can also be used for purchases, both online and at “point of purchase,” such as at a store, restaurant, or gas station.
- **Cashier’s checks** – These are checks guaranteed by a financial institution.
- **Automated teller machines (ATMs)** – These machines can process a variety of banking transactions including accepting deposits and loan payments, providing cash for withdrawals, and transferring money between accounts.
- **ATM cards** – ATM cards allow you to use an ATM for various account transactions. You might also be able to make some purchases with an ATM card.
- **Online or mobile banking, including bill-paying services** – This refers to managing your accounts using the Internet on a computer or mobile device. You can view up-to-date information on your account balance to help reconcile your accounts on a more frequent basis. It may include bill-paying services where you can set up automatic payments from your account to pay your bills. Some financial institutions can alert you when you have a new bill to pay from some companies, such as utilities.
  - » Many online and mobile banking tools allow you to deposit checks remotely. You use the financial institution’s mobile app and take a picture of the front and back of the check you want to deposit. You may have to write specific information on the back of the check first, such as “For e-deposit only.”
  - » The specific steps may vary depending on the financial institution. The instructions are usually provided on the mobile app.
  - » If you have any questions about using a mobile app to deposit checks, ask a customer service representative at the financial institution.
- **“Person-to-person” payments (P2P)** – This refers to mobile apps or other web-based services that allow person-to-person money transfers. Typically, users link the mobile payment system to their bank accounts or credit card accounts and initiate transfers of funds to others who are also users of the same app or web-based service.
  - » There are several mobile person to person payment apps and they differ in how they work. One may let you transfer money after logging into a website. Another may let you transfer money by physically touching your phone to another person’s phone.

» This is a rapidly changing area of financial services.

- **Remittance transfers** – These transfers are used to move money to a person or business in another country. They may also be referred to as “international wires,” “international money transfers,” or “remittances.”



PRESENT INFORMATION (2 MINUTES)

## Other Financial Service Providers

See page 7 in the Participant Guide.

### SHOW SLIDE 14



#### SAY

- Businesses other than financial institutions also provide some financial products and services.
  - Often, they only extend credit or provide certain services, such as cashing checks.
  - They generally do not accept deposits.
- Examples include:
  - Convenience stores and U.S. Post Offices that offer money orders
  - Stores that sell prepaid cards
  - Check-cashing stores and outlets that cash checks
  - Payday lenders that provide small dollar, short-term loans
  - Pawn shops that provide small dollar, short-term loans
  - Vehicle title lenders that provide short-term loans based on a clear title to a car, truck, or motorcycle
- These businesses may offer features, such as being open late at night. Or they may allow you to borrow money without checking your credit or verifying your income. However, their products and services often cost more than similar services at financial institutions.

#### Other Financial Service Providers

- Convenience stores and U.S. Post Offices
- Stores that sell prepaid cards
- Check-cashing stores and outlets
- Payday lenders
- Pawn shops
- Vehicle title lenders

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PRESENT INFORMATION (2 MINUTES)

## What Financial Products and Services Do You Need?

See page 7 in the Participant Guide.



#### ASK

- How do you choose financial products and services?

- DO**
- ✓ Write participant responses on a flip chart or whiteboard.

- ASK**
- ? How do you select a financial institution?

- DO**
- ✓ Write participant responses on a flip chart or whiteboard.

**SHOW SLIDE 15****SAY**

- There are many ways to select financial products, services, and providers.
- One way to ensure you are getting what you really need is to start with your financial management needs. Some people may call this your money management needs.
- Financial products, services, and providers can help you save, spend, manage, and borrow money.
  - Your financial management needs may include having cash on hand to buy things you need, building credit, saving money, and/or paying bills.
- Before we look at your financial or money management needs, we're going to look at a scenario and figure out the products, services, and providers that may be able to help Susannah.

**What Financial Products and Services Do You Need?**

- Financial products and services can help you:
  - Save money
  - Spend money
  - Manage money
  - Borrow money
- Start with your needs



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**LEAD ACTIVITY (12 MINUTES) – SCENARIO*****Try It: What Do You Need to Manage Your Money?***

See page 8 in the Participant Guide.

**SHOW SLIDE 16**

- DO**
- ✓ Ask participants to turn to *Try It: What Do You Need to Manage Your Money?* on page 8 in their Participant Guide.
  - Read the scenario to participants or ask for a volunteer to do so.

**Try It: What Do You Need to Manage Your Money?**  
See page 8 in your Participant Guide

SECTION 1: Financial Products, Services, and Providers PARTICIPANT GUIDE

**Try It: What Do You Need to Manage Your Money?**  
Read the scenario and answer the questions.

**Scenario: Susannah Considers What She Needs to Manage Her Money**

Susannah has a full-time job and receives a paycheck every two weeks. She has had trouble in the past paying her bills on time, and she has credit card debt she wants to pay off. But, she also wants to build emergency savings. Susannah needs a car within the next year and wants to be able to get a good rate on the car loan.

What are Susannah's financial management needs?



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**SCENARIO: Susannah Considers What She Needs to Manage Her Money**

Susannah has a full-time job and receives a paycheck every two weeks.

She has had trouble in the past paying her bills on time, and she has credit card debt she wants to pay off. But, she also wants to build emergency savings.

Susannah needs a car within the next year and wants to be able to get a good rate on the car loan.

**DO**

- Give participants about five minutes to work in small groups to answer the questions.
- After five minutes, time permitting, invite participants to share their answers before providing the answers that follow.

**ASK**

- What are Susannah's financial management needs?

**DO**

- Write participant responses on a flip chart or whiteboard.
- Add these ideas if not mentioned:
  - Cash or have access to the money in her paychecks
  - Improve credit
  - Save money for emergencies
  - Save money for car down payment
  - Pay bills
  - Borrow money to get a car

**ASK**

- What products or services do you think could help her address each of her needs? There may be more than one option for each need.



**DO**

- Write participant responses on a flip chart or whiteboard.
- Add these ideas if not mentioned:
  - To improve credit, she may be able to get a credit-building loan, secured credit card, or a store or gas station credit card; pay her bills on time, and/or reduce her credit card debt.
  - To save money for emergencies, she can open a savings account or a money market deposit account. A CD is probably not a good idea here because her money will be tied up for a fixed period of time. She can also save money on a prepaid card with a savings or “purse” feature.
  - To save money for car down payment, she can save money in a CD or money market account. Since she doesn’t need that money for about a year, she should try to get the highest rate of interest possible.
  - To pay bills, she can open a checking account and write checks, use her debit card, use automatic debit, or use online bill or mobile bill payment. She could also use money orders or a reloadable prepaid card.
  - To borrow money for a car, she can apply for an auto loan.

**ASK**

- Where can she get each product or service you identify?

**DO**

- Write participant responses on a flip chart or whiteboard.
- Add these ideas if not mentioned:
  - **Credit-building loan:** bank, credit union, or community development financial institution
  - **Secured credit card:** bank or credit union
  - **Store, restaurant, or gas station credit card:** store, restaurant, or gas station
  - **Savings account, CD, and money market account:** bank or credit union
  - **Checking account and debit card:** bank or credit union
  - **Online or mobile bill pay:** bank, credit union, or business that specializes in making online payments (third party service)
  - **Money orders:** bank, credit union, post office, convenience store, or somewhere else
  - **Reloadable prepaid card:** banks, credit unions, retail stores
  - **Credit card:** bank or credit union
  - **Auto loan:** bank, credit union, or car dealer



PRESENT INFORMATION (6 MINUTES)

## ***Apply It: My Financial Management Needs***

See page 9 in the Participant Guide.

### SHOW SLIDE 17



SAY

- Turn to *Apply It: My Financial Management Needs* on page 9 in your Participant Guide.
- Take three minutes to complete this worksheet.



DO

- After three minutes, ask participants to share some of the financial management needs they identified.
- Ask them what products or services they think will address those needs. Finally, ask if they would like to share where they are going to explore getting those products or services.

## **Apply It: My Financial Management Needs**

Check off what you need related to your money and finances.

I need:

- ☐ To save my money for emergencies or my goals in a safe and secure place
- ☐ To pay my bills in a safe and secure way
- ☐ To send money to family or friends electronically
- ☐ To get access to cash quickly
- ☐ To borrow money
- ☐ To improve or build my credit
- ☐ To build a relationship with a financial institution

What other financial management needs do you have?

What financial products or services do you think will help you address each need?

Where can you get the financial products or services you need?



PRESENT INFORMATION (1 MINUTE)

## Apply It: My Banking Checklist

See page 10 in the Participant Guide.

### SHOW SLIDE 18



SAY

- Turn to *Apply It: My Banking Checklist* on page 10 in your Participant Guide.
- Now that you have thought about your needs and what financial institutions offer, it's time to start thinking about where you will do your banking.
- Shopping around can really pay off. Different financial institutions offer different things and at varying costs. Finding the right financial institution starts by making sure it has the products, services, and other features you need or want.

**Apply It: My Banking Checklist**  
See page 10 in your Participant Guide

SECTION 1: Financial Products, Services, and Providers PARTICIPANT GUIDE

**Apply It: My Banking Checklist**  
You can use this checklist to compare financial institutions and accounts.  
Use a separate piece of paper if you need more space.

Financial Institution Name and Account Type

1	2	3

**1. My Needs and Access**

	1	2	3
Is the institution insured by FDIC (for banks and savings associations) or NCUA (for credit unions)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If the institution is a credit union, am I eligible to join?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

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### SHOW SLIDE 19



SAY

- There are six sections in the Banking Checklist. They are designed to help you compare products, services, and features of three different financial institutions, or different products from the same financial institution. Those sections are:
  1. My Needs and Access
  2. Checking Accounts, Reloadable Prepaid Cards, and other Transactional Accounts
  3. Savings Accounts
  4. Debit Cards and ATM Cards
  5. Overdrafts and Overdraft Fees
  6. Other Available Services
- With a partner, select one question from each of the six sections of the checklist you think is the most important. Circle it. You'll have 10 minutes to do so.

**Six Sections in**  
**Apply It: My Banking Checklist**

1. My Needs and Access
2. Checking Accounts, Reloadable Prepaid Cards, and Other Transactional Accounts
3. Savings Accounts
4. Debit Cards and ATM Cards
5. Overdrafts and Overdraft Fees
6. Other Available Services

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DO

- After 10 minutes, invite a few participants to share the questions they circled and why they chose those questions. Start with the first section, My Needs and Access.
- Time permitting, go through all sections.



## Apply It: My Banking Checklist

You can use this checklist to compare financial institutions and accounts.  
Use a separate piece of paper if you need more space.

### Financial Institution Name and Account Type

1	
2	
3	

1. My Needs and Access	Financial Institution		
	1	2	3
Is the institution insured by FDIC (for banks and savings associations) or NCUA (for credit unions)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If the institution is a credit union, am I eligible to join?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do I feel welcome and valued as a potential customer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the institution offer products and services I might need? (Mobile app, personal loans, vehicle loans, mortgages, credit cards, savings products, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the products and services described in terms and language I can understand?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is staff available to answer my questions at times that work for my schedule? (In person, by phone, through online chat, secure email, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can I access my account information how and when I need it? (Phone, paper, online, mobile, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can I access my money how and when I need it? (Convenient ATM, branches, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there special accounts for students, older adults, or other groups I'm part of? What benefits are there to these accounts?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other:			

**Apply It: My Banking Checklist *continued***

2. Checking Accounts, Reloadable Prepaid Cards and other Transactional Accounts	Financial Institution		
	1	2	3
Minimum opening deposit?	\$	\$	\$
Minimum monthly balance?	\$	\$	\$
Will my money earn interest? If yes, what is the Annual Percentage Yield (APY)? What balance do I have to maintain to earn interest?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
How can I deposit money? (Branch, ATM, online, mobile app, other)			
If I plan to deposit checks, how soon will the funds generally be available to me?			
Is there an online or mobile bill payment feature? How does it work?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can I set up alerts, such as for low balances? If yes, can I choose how they are sent? (Email, text, phone, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
What fees might I have to pay every month? What other fees are there? (Ask for a fee schedule)			
Other:			
<b>3. Savings Accounts</b>			
Minimum opening deposit?	\$	\$	\$
Minimum monthly balance?	\$	\$	\$
What is the Annual Percentage Yield (APY)? What balance do I have to maintain to earn interest?			
What fees might I have to pay every month? What other fees are there? (Ask for a fee schedule)			
Other:			

### Apply It: My Banking Checklist *continued*

4. Debit Cards and ATM (Automated Teller Machine) Cards	Financial Institution		
	1	2	3
Will I get a debit card or an ATM card? When?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there rebates, bonuses, or other rewards for using a debit card?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can I set up alerts, such as for when the card is used? If yes, can I choose how to receive them? (Email, text, phone, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
What fees might the card have? (Ask for a fee schedule)			
Other:			

### 5. Overdrafts and Overdraft Fees

*An overdraft occurs when a transaction goes through, but there is not enough money in your account to cover that transaction.*

What are the overdraft practices that come with the account?			
Will the institution authorize and pay overdrafts caused by checks, other transactions using my account number, and automatic bill payments?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If I opt-in to an overdraft program, will the institution authorize and pay overdrafts caused by using ATMs and making everyday debit card transactions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
What fees does the institution charge related to overdrafts? (Ask for the overdraft disclosure and fee schedule)			
Can the institution link my savings account to my checking account to avoid an overdraft? If yes, are there fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other:			

**Apply It: My Banking Checklist *continued***

6. Other Available Services	Financial Institution		
	1	2	3
<b><i>“Person-to-Person” (P2P) Payments</i></b> Can I transfer money directly to another person? How does the service work and how quickly would the recipient receive my payment? (Ask for a fee schedule)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b><i>Money Orders</i></b> Can I purchase money orders? (Ask for a fee schedule)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b><i>Remittance Transfers</i></b> Can I send money to a person or business in another country? (Ask about a specific country if one is important to you, and ask for a fee schedule)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b><i>Safe Deposit Boxes</i></b> Can I rent a safe deposit box? What size? (Ask for a fee schedule)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b><i>Third Party Access</i></b> If someone helps manage my banking relationship, what information can they receive on my behalf? How would I authorize them to receive this information?			
Other:			

**Overall Comparison**

Based on the above information, which one do you think will work better for you?	This one <input type="checkbox"/>	This one <input type="checkbox"/>	This one <input type="checkbox"/>
--	--------------------------------------	--------------------------------------	--------------------------------------



PRESENT INFORMATION (1 MINUTE)

## Section Closing

See page 13 in the Participant Guide.

### SHOW SLIDE 20



#### SAY

- Remember the key takeaway from this section: **Consider your needs and shop around for financial products and services.**

#### Section 1: Remember the Key Takeaway

*Consider your needs and shop around for financial products and services.*



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## Section 2: Opening an Account

**Training Time Estimate for This Section:** 20 minutes

### Objectives

Participants will be able to:

- Describe the benefits of a savings or checking account
- List what is generally needed to open an account with a financial institution and the steps involved
- Explain how banking history reports are relevant to opening a checking or savings account
- Explain how to get a banking history report and dispute incorrect information
- Identify options for opening an account despite challenges



PRESENT INFORMATION (1 MINUTE)

## Introduction to Section and Key Takeaway

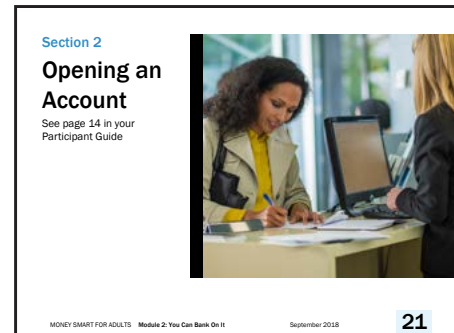
See page 14 in the Participant Guide.

### SHOW SLIDE 21



SAY

- We will discuss opening a savings or checking account at a financial institution.

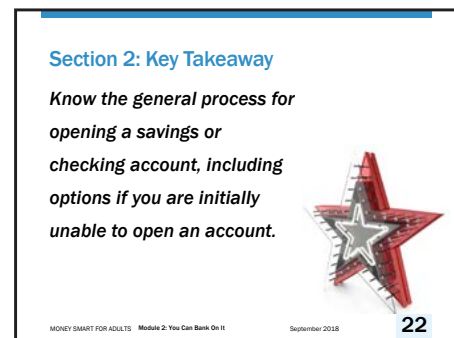


### SHOW SLIDE 22



SAY

- The key takeaway from this section is:  
**Know the general process for opening a savings or checking account, including options if you are initially unable to open an account.**



LEAD DISCUSSION (3 MINUTES)

## Savings and Checking Accounts

See page 14 in the Participant Guide.



ASK

- What are some reasons a person might want a savings or checking account?



DO

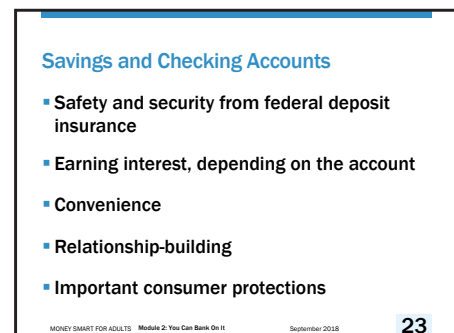
- Write participant responses on a flip chart or whiteboard.

### SHOW SLIDE 23



DO

- Add the following if not contributed:
  - **Safety and security** from federal deposit insurance
  - **Earning interest** on your money, depending on the account



- **Convenience** in paying bills or paying for routine transactions, such as buying groceries
- **Ability to build a relationship with a financial institution** that may be useful when you need to borrow money
- **Important consumer protections**, such as those that protect you in the event of unauthorized transactions from your account



PRESENT INFORMATION (5 MINUTES)

## ***Apply It: My Checklist for Opening a Savings or Checking Account***

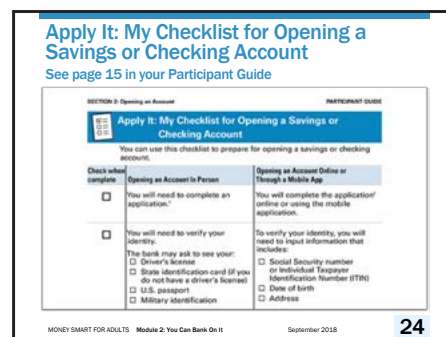
See page 15 in the Participant Guide.

### SHOW SLIDE 24



**SAY**

- Turn to *Apply It: My Checklist for Opening a Savings or Checking Account* on page 15 in your Participant Guide.
- You can use this resource after today's training to review the process for opening a savings or checking account at a financial institution.

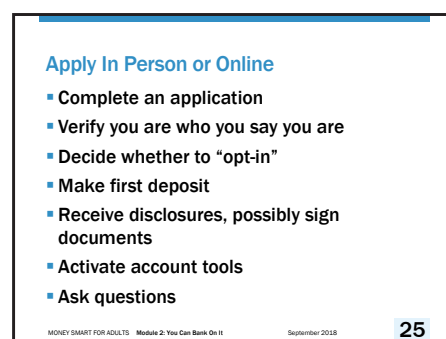


### SHOW SLIDE 25



**SAY**

- Let's review some of the information from the *Apply It* together.
- Some people may find the thought of opening an account intimidating and that's okay. The process can be very straightforward once you know what you need to provide.
- You can open an account at a financial institution by visiting one of their branches or you may be able to do so using a computer or mobile device.
- We will talk about the process of opening an account in general. Please know that each financial institution has its own procedures for opening accounts.
- **You will need to complete an application.** If you are opening an account in person, you may be asked to fill out the application, or an employee at the financial institution may ask you the questions and fill out the application for you.



- The application will usually ask for the following information:
  - Your full name, and possibly any other names you may have used, such as a maiden name or former name.
  - Your date of birth.
  - Your address, which is generally your residential street address. If you don't have one, ask what else will be accepted. For example, you may be able to provide the residential address of a relative or other contact individual.
  - Your Social Security number. If you are not eligible to have one (generally because you are not a US citizen), you could provide certain other numbers such as your Individual Taxpayer Identification Number (ITIN) or foreign passport number.
- The application will likely require other information as well. For example, you may need to provide your phone number and email address if you have one.
- **You will need to provide information to verify that you are who you say you are.** Showing the necessary identification helps banks comply with federal law. Ask what type of identification you need to provide because the requirements can vary.
  - If you are opening the account at a branch, you will usually need to show your state-issued driver's license or ID card.
    - » If you don't have one, ask what else you could provide. For example, some financial institutions may accept other forms of photo identification or have another way to verify your identity.
  - You may need to provide a second piece of identification, such as a piece of mail addressed to you at your current address, or a copy of your current lease to help prove you live where you say you do.
  - If you are opening an account online, you may have to answer several "challenge questions" to help verify you are who you say you are. These questions are generated from information in your credit report or other public records.
    - » For example, you may have to answer a multiple choice question asking what street you have lived on before.
    - » If you cannot answer the questions accurately, the website will indicate what you need to do next.
- **You will need money to make your first deposit** in the new account.
  - The amount required will vary.
  - If you are opening an account online or through a mobile app, the process may vary. You might be able to make your first deposit by transferring funds from another account. Or you may need to visit a branch.

■ **You may also need to sign several documents.**

- If you are opening an account online, you may be able to electronically sign the documents so you don't need to return any papers.

■ **You may need to activate your account tools.** This could include:

- Online account access.
- A debit card or an ATM card.
- If you do not understand how to use online or mobile access, ask for help from a customer service representative.
- Online or mobile banking provides many advantages:
  - » You generally have access to information 24 hours a day.
  - » The information is updated regularly, so you get real time or nearly real time information about your accounts.
  - » You don't have to make time to visit a branch to deposit checks, get access to your cash, pay bills, and so on.
  - » The key is making sure you are staying safe by using secure Internet or WiFi connections, strong passwords, and only using reputable sites or apps when using online or mobile banking. Generally, public WiFi connections are not secure.
  - » If you do not understand something, be sure to ask questions.

■ **If you are opening a checking account, you will likely be asked if you want to "opt-in" to a program to handle overdrafts** caused by ATM and point-of-sale transactions. We will talk more about this later in the training.

- » Not everyone is familiar with the term "point-of-sale," sometimes called "point-of-purchase." It means the place where you pay for a purchase. A cash register at a retail store is an example. A gas station pump is another example.

■ **You will receive information, called disclosures** (either in paper or electronically). The disclosures explain key facts you need to know about the account. Ask for help if you do not understand something in the information you receive. If you need to receive them in paper as a reasonable accommodation, ask for that.



PRESENT INFORMATION (2 MINUTES)

## Banking History Reports

See page 17 in the Participant Guide.

### SHOW SLIDE 26



#### SAY

- The process we just discussed assumes that the person applying for the account is approved for the account.
- **However, not everyone is approved.**
- Some consumer reporting companies keep track of negative information relating to how consumers use their deposit accounts.
  - Examples include ChexSystems and Early Warning.
- These companies prepare reports often referred to as banking history reports.
- Financial institutions may use these reports to determine if they will allow someone to open an account.
- **Banking history reports include information on:**
  - **Unpaid negative balances on accounts.**
    - » This could have happened because of checks written for more money than was in the account (sometimes called writing bad checks or bouncing a check).
    - » It could also have happened if the account owner didn't close the account after they stopped using it, and fees continue to be charged.
  - **Suspected fraud related to accounts.**
  - **Certain accounts closed by a financial institutions,** such as if the account owner mismanaged it.
- **You have the right to one free report from each nationwide consumer reporting company every 12 months.**
  - You can also request a free report if your application for an account is turned down because of information in one of these reports. If a financial institution based its decision not to open an account for you on information in a consumer report, they will tell you how to request a copy of the report they used.
  - You have the right to file a dispute to correct errors.

#### Banking History Reports

- Everyone is not approved for an account
- Banking history reports include information on:
  - Unpaid negative balances on accounts
  - Suspected fraud related to accounts
  - Certain accounts closed by financial institution
- Right to one free banking history report from each nationwide consumer reporting company every 12 months

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PRESENT INFORMATION (1 MINUTE)

## ***Apply It: Getting My Banking History Reports***

See page 17 in the Participant Guide.

### SHOW SLIDE 27



SAY

- Turn to *Apply It: Getting My Banking History Reports* on page 17 in your Participant Guide.
- You can use this resource after today's training to get your banking history report.
- Unlike credit reports, banking history reports generally contain only negative information.
- **You will likely not have a banking history report if there is no negative information on file.**

**Apply It: Getting My Banking History Reports**  
See page 17 in your Participant Guide

**Apply It: Getting My Banking History Reports**  
You can use this information to get your banking history reports. You will likely not have a banking history report if there is no negative information on file.

**Get Your ChexSystems Report**  
Online: Visit <https://chexsystems.com> and look for "Free FACTA Report"  
Phone: 800-425-9823  
Mail: ChexSystems, Attn: Consumer Relations, 7805 Hurston Road, Suite 100, Woodbury, MN 55125

**Get Your Early Warning Services® Report**  
Download and complete the form at [www.earlywarning.com/consumer](http://www.earlywarning.com/consumer) and mail or fax it to Early Warning.  
Mail: Early Warning, Attn: Consumer Services Department, 16552 N. 30th Street, Scottsdale, AZ 85260

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PRESENT INFORMATION (2 MINUTES)

## ***Apply It: Filing a Dispute on My Banking History Report***

See page 18 in the Participant Guide.

### SHOW SLIDE 28



SAY

- Turn to *Apply It: Filing a Dispute on My Banking History Report* on page 18 in your Participant Guide.
- You can use this resource after today's training if you find incorrect information in your banking history report and want to file a dispute.
- There are three steps:
  - **Step one** is to file a dispute with the consumer reporting company or companies reporting the error.
  - **Step two** is to file a dispute with the financial institution that provided the information you dispute.
  - **Step three** is to recheck your banking history report to make sure the error was corrected and stays corrected.

**Apply It: Filing a Dispute on My Banking History Report**  
See page 18 in your Participant Guide

**Apply It: Filing a Dispute on My Banking History Report**  
If you find incorrect information in your banking history report, you can use these three steps to file a dispute. Consumer reporting companies generally have 30 days to investigate your dispute and provide you with a response.

**Step 1: File a Dispute with the Consumer Reporting Company**

ChexSystems	Early Warning
Do one of the following:	Do one of the following:
<ul style="list-style-type: none"> <li>File a dispute online by visiting <a href="http://www.chexsystems.com">www.chexsystems.com</a> and navigating to the Right to Dispute section.</li> <li>File a dispute using certified mail, return receipt requested, so you have proof they received it. Download Sample Letter #1 by visiting <a href="http://www.consumerfinance.gov">www.consumerfinance.gov</a> and searching for "dispute checking."</li> </ul>	<ul style="list-style-type: none"> <li>File a dispute online at <a href="https://consumerfinance.earlywarning.com">https://consumerfinance.earlywarning.com</a>. You will need to register first.</li> <li>File a dispute using certified mail, return receipt requested, so you have proof they received it. Download Sample Letter #1 by visiting <a href="http://www.consumerfinance.gov">www.consumerfinance.gov</a> and searching for "dispute checking."</li> </ul>

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PRESENT INFORMATION (5 MINUTES)

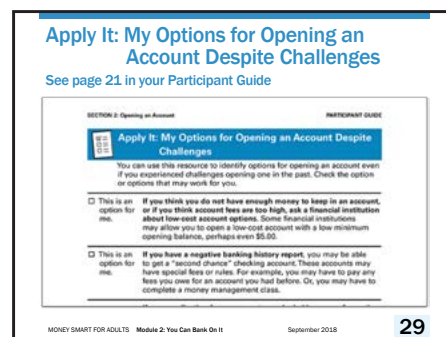
## ***Apply It: My Options for Opening an Account Despite Challenges***

See page 21 in the Participant Guide.

### **SHOW SLIDE 29**

**SAY**

- Turn to *Apply It: My Options for Opening an Account Despite Challenges* on page 21 in your Participant Guide.
- Let's review this *Apply It* together. You can follow along in your Participant Guide.
- You can also use this resource after today's training to identify options for opening an account if you experienced challenges opening one in the past.



### **SHOW SLIDE 30**

**SAY**

- **If you think you do not have enough money to keep in an account, or if you think account fees are too high, ask a financial institution about low-cost account options.**
  - There are many banking options that do not include costly fees.
    - » Some financial institutions offer low-cost accounts with a low minimum opening balance, perhaps even \$5.00.
    - » Some financial institutions offer “checkless” checking accounts that cannot be overdrawn, so there are no overdraft charges.
    - » The FDIC’s “Model Safe Account Template” details what a cost-effective account could look like. Go to [www.fdic.gov](http://www.fdic.gov) and search for “safe accounts” to learn more.
  - Find out if there are accounts that match what you need.
    - » A good first step can be talking to a financial institution employee about what you need in an account, how you expect to use an account, and what they can offer to meet your needs.

Possible Options	
For This Challenge	Consider...
Not enough money or account fees too high	Low-cost account options
Negative information in banking history report	“Second chance” checking account
Negative information in credit reports and low credit scores	Credit-building loan, secured credit card, credit counseling
No Social Security number	Other identification documents
Cannot open a particular account	Another type of account; Perhaps a prepaid card



- » Be sure to understand what you may need to do in order to avoid fees. For example, a monthly service fee may be waived if you set up a direct deposit.
  - » Sometimes low-cost accounts are available in a branch but not online. And sometimes they are available online and not in a branch.
- **If you have a negative banking history report, you may be able to get a “second chance” checking account.**
- These accounts may have special fees or rules. For example, before you can get the account, you may have to:
    - » Pay fees you owe for an account you had before
    - » Complete a money management class
  - Talking to a financial institution employee and asking about options is a good first step.
- **If your application for an account was denied because of negative information in your credit reports or low credit scores, ask the financial institution for options.**
- For example, you may be able to improve and build your credit with a credit-building loan or a secured credit card. Your timely payments are reported to one of the nationwide credit reporting agencies which helps improve your credit.
  - **Credit-building loans** are usually small loans of \$1,000 or less from financial institutions. You repay them through regular, scheduled payments for a number of months.
  - **Secured credit cards** may be available to you. They usually have relatively low credit limits. To get a secured credit card, you must make a deposit with the financial institution issuing the credit card. For example, for a card with a \$500 credit limit, you might have to deposit that amount into a savings account at the financial institution offering you the card.
    - » To help improve your credit score, make credit card payments by the due date and keep the balance on the card well below the card’s credit limit.
- **If you are not sure of the best way or ways to improve your credit, you may want to seek help.**
- You can consult with a reputable credit counseling service. It can help you develop a customized plan to improve your credit. For suggestions on finding a reputable counseling service, search using the phrase “credit counseling” at [www.usa.gov](http://www.usa.gov).
- **If you don’t have a Social Security number (SSN), you may be able to apply for an Individual Taxpayer Identification Number (ITIN) with the Internal Revenue Service.**

- Also, if you don't have a U.S. government-issued SSN or ITIN, some financial institutions will accept a passport number and country of issuance, or other government-issued identification.
- **If you cannot open a particular account**, ask if you can open another type of account. You may also want to consider getting a prepaid card. Prepaid cards work like debit cards, but they are not linked to an account. You don't need an account at a financial institution to get a prepaid card.

**Note to Instructor:** Section 4 in this module covers prepaid cards in more detail.



PRESENT INFORMATION (1 MINUTE)

## Section Closing

See page 22 in the Participant Guide.

### SHOW SLIDE 31




#### SAY

- Remember the key takeaway from this section: **Know the general process for opening a savings or checking account, including options if you are initially unable to open an account.**

**Section 2: Remember the Key Takeaway**

*Know the general process for opening a savings or checking account, including options if you are initially unable to open an account.*



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## Section 3: Managing an Account

Training Time Estimate for This Section: 1 hour

### Objectives

Participants will be able to:

- Explain how to manage checking and savings accounts effectively
- Identify the parts of a check
- Track transactions in a register and relate this to a mobile transaction platform
- Explain how ATM cards, debit cards, mobile apps, and person-to-person transfers work



PRESENT INFORMATION (1 MINUTE)

## Introduction to Section and Key Takeaway

See page 23 in the Participant Guide.

### SHOW SLIDE 32



SAY

- We will discuss how to manage savings and checking accounts.

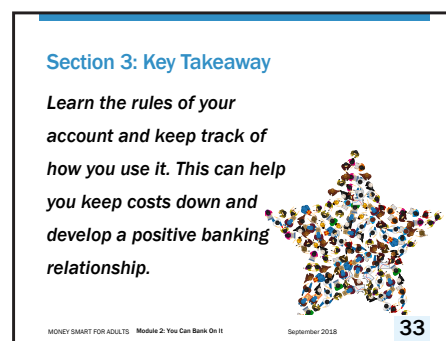


### SHOW SLIDE 33



SAY

- The key takeaway from this section is: **Learn the rules of your account and keep track of how you use it. This can help you keep costs down and develop a positive banking relationship.**



PRESENT INFORMATION (3 MINUTES)

## Using a Savings Account

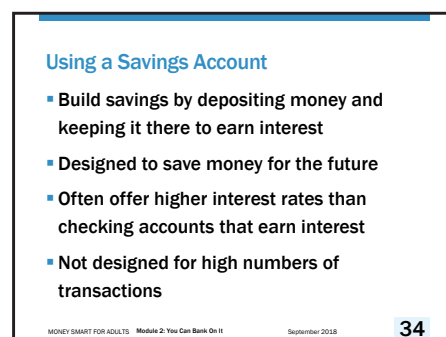
See page 23 in the Participant Guide.

### SHOW SLIDE 34



SAY

- Let's start with savings accounts, and we will then cover checking accounts. Some of the information will be the same, but there are important differences.
- You can use a savings account to build your savings by depositing money into the account and keeping it there to earn interest.
  - Depending on the financial institution and the account, you may be able to deposit money:
    - » In person
    - » Using direct deposit
    - » Transferring money from another account



- » At an automated teller machine (ATM)
- » Online
- » Using a mobile app
- The options you may have to withdraw money can include:
  - » In person
  - » Transferring money to another account
  - » At an ATM
  - » Online bill pay or mobile banking
- Savings accounts are designed to save money for the future.
  - They often offer higher interest rates than checking accounts that pay interest.
  - They are not designed to be used for frequent withdrawals.
    - » Financial institutions will generally require you to pay a fee for going over a certain number of transactions within a month, or may not allow any transactions over the limit.
    - » Federal law limits withdrawals from savings accounts to six withdrawals or fewer per month. Some financial institutions may have a lower limit on the number of monthly withdrawals.
    - » If you want to use an account for paying bills and making purchases, a checking account is likely a better choice.
- Many people choose to have both a savings and a checking account, which often can be linked to make it easy to transfer funds between the two.



PRESENT INFORMATION (5 MINUTES)

## ***Apply It: Managing My Savings Account***

See page 24 in the Participant Guide.

### **SHOW SLIDE 35**



### **SAY**

- Turn to *Apply It: Managing My Savings Account* on page 24 in your Participant Guide.
- Let's review some of the information in the *Apply It* now. You can follow along in your Participant Guide.
- You can also use this checklist after today's training to help manage your savings account.

**Apply It: Managing My Savings Account**  
See page 24 in your Participant Guide

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SECTION 3: Managing an Account

**Apply It: Managing My Savings Account**

Use this checklist to manage your savings account.

- ☐ **Read the rules of your account.** Be sure you understand the fees, such as for going below the minimum balance or making too many transactions from the account. Ask questions if you do not understand something.
- ☐ **Keep track of your deposits and withdrawals.** You can keep your own record each time you deposit or withdraw money. Also keep track of the scheduled transactions that will take place in the future. A paper-based log or an app on a mobile device can help. You may also be able to use online and mobile banking to keep track of your account.
- ☐ **Review your account statements.** You might receive your account statements monthly or quarterly. Some financial institutions may also give you the option of reviewing your statements online. If they give you this option, you may have to pay a fee if you also want a paper statement. However, if you need a paper copy of your statements as a reasonable accommodation, ask for that. If there are any deposits or withdrawals on your statement that don't look right or you know you did not make, tell your financial institution right away.
- ☐ **Set up email or text alerts, if possible.** Many financial institutions make it easier for customers to keep track of their accounts by offering email or text

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**SHOW SLIDE 36****SAY**

- There are several ways to manage a savings account.
- **Read the rules of your account.**
  - Be sure you understand the fees, such as for going below the minimum balance or making too many transactions from the account. Ask questions if you do not understand something.
- **Keep track of your deposits and withdrawals.**
  - You can keep your own record each time you deposit or withdraw money.
  - Also keep track of transactions scheduled to take place in the future, such as automatic deposits or automatic withdrawals.
  - A paper-based log or an app on a mobile device can help.
  - You may also be able to use online and mobile banking to keep track of your account.
- **Review your account statements.**
  - You might receive your account statements monthly or quarterly.
  - Some financial institutions may also give you the option of reviewing your statements online. If they give you this option, you may have to pay a fee if you also want a paper statement. However, if you need a paper copy of your statements as a reasonable accommodation, ask for that.
  - If there are any deposits or withdrawals on your statement that don't look right or you know you did not make, tell the financial institution right away.
- **Set up email or text alerts, if possible.**
  - Many financial institutions make it easier for customers to keep track of their accounts by offering email or text message alerts when balances fall below a certain level, when there is a transaction over a certain amount, or when a transaction is made outside of the United States.
- **Stay safe online.**
  - Make sure websites are secure and only give personal information to encrypted websites.
  - Assume public Wi-Fi is not secure, and make sure your passwords are secure.
  - There is more information in the *Apply It* about staying safe online.
  - Go to **OnGuardOnline.gov** to learn more about staying secure online.

**Managing My Savings Account**

- Read the rules of your account
- Keep track of your deposits and withdrawals
- Review your account statements
- Set up email or text alerts, if possible
- Stay safe online

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PRESENT INFORMATION (8 MINUTES)

## Using a Checking Account

See page 25 in the Participant Guide.

### SHOW SLIDE 37



#### SAY

- There is generally more to keep track of when managing a checking account compared to managing a savings account.
- This is because checking accounts are designed to be used frequently for multiple transactions.
- People use checking accounts to deposit money, pay their bills, make purchases in person and online, and access cash.
- When you open a checking account, you may get a debit card, an ATM card, checks, or some combination of those items. Or perhaps none of those. It depends on the account.
  - A debit card, also known as a bank or check card, can be used instead of cash to make purchases. Unlike a credit card, the money comes directly from your financial institution account.
  - ATM cards allow you to use an ATM for various account transactions. You might also be able to make some purchases with an ATM card.
  - A check is a document you complete that tells your financial institution to pay money from your checking account to someone else, called the payee.

#### Using a Checking Account

- For frequent use and multiple transactions – deposit money, pay bills, make purchases, access cash
- ATM cards and debit cards
  - Not the same thing
  - Money is taken out of your account
- Checks
  - Tell your financial institution to pay money to someone else, the payee
  - Some checking accounts don't use checks

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### SHOW SLIDE 38



#### SAY

- You need to be careful of overdrafts. An overdraft is when an account transaction goes through even though you do not have enough money in your account to cover it.
- Examples of how you might overdraw your account include:
  - You make an ATM withdrawal for more money than is in your account.
  - You make a debit card purchase for more money than is in your account.
  - You write a check for more money than is in your account.

#### Overdrafts

- Transaction goes through but there's not enough money in the account to cover it
- Programs to cover overdrafts for ATM card and debit card transactions
  - Opt-in: Certain transactions processed for a fee
  - Do not opt-in: Certain transactions declined
- Financial institutions decide if they will cover checks and other payments that would cause an overdraft if processed
  - Covered: expect to be charged an overdraft fee
  - Not covered: expect to be charged a non-sufficient funds fee and possibly a returned check fee

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- You authorize a vendor, such as a phone company, to withdraw money from your account (perhaps to pay a bill) and you don't have adequate funds to cover the full amount.
- Financial institutions offer programs to cover overdrafts for ATM and debit card purchases.
  - Under federal rules, you choose whether to “opt-in” to a program that your financial institution may offer for overdrafts caused by ATM card and debit card transactions.
  - **If you opt-in to the overdraft program**, the bank may honor an ATM or debit card transaction that is more than your account balance. Expect to be charged a fee to process each transaction. That could result in a \$5 purchase costing you an extra \$35 or more.
  - **If you do not opt-in**, the financial institution will decline your ATM withdrawals and debit card transactions if you do not have enough money in your account to cover the withdrawal or purchase. The financial institution will not charge you a fee if the transaction is declined.
- For checks and other types of payments, such as automated payments you set up to pay bills, your financial institution chooses whether to cover the check or other transaction that would cause you to exceed your balance.
  - If the financial institution decides it will cover the transaction, expect it to charge you an overdraft fee.
  - If the financial institution decides not to cover the transaction, it may charge you a “non-sufficient funds” (NSF) fee, and the merchant may also charge you a returned check fee. These fees can vary but fees of \$30 or more are common.
- There is a table on page 26 in your Participant Guide that summarizes what I just went over about overdrafts and fees.

**SHOW SLIDE 39****SAY**

- Let's consider a real-life example: Rodney has \$50 in his checking account. He has opted in to the overdraft program. Overdraft fees are \$35 for his account.
  - On March 1, he spends \$15 on a birthday cake for his daughter and \$25 on gas.
  - But he forgot that he authorized the phone company to auto-pay his phone bill on the first of every month. That bill is \$45.

**Rodney: Overdraft Example**

- \$50 in checking account with “opt-in”
- **March 1 transactions:**
  - \$15 birthday cake
  - \$25 gas
  - \$45 phone bill on auto-pay
- **Result: One or two overdraft charges of \$35**
  - Depends on order transactions are processed

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- Depending on the order in which Rodney's financial institution processes these three charges, one or two of them will be overdrafts.
  - » If it processes the birthday cake and gas purchases first, the phone bill will be an overdraft resulting in a \$35 fee.
  - » If it considers the phone bill to be the first or second transaction of the day, then there will be two overdraft fees of \$35, for a total of \$70.
- You can ask the financial institution or review documents you received when you opened the account to find the order in which transactions are posted to your account.

**SHOW SLIDE 40****SAY**

- There are other features associated with checking accounts to consider: direct deposit, automatic bill payment, and automatic debit.
- **Direct deposit** allows your money to be safely and securely deposited into your account at a financial institution electronically.
  - With this feature, you don't have to worry about finding time to make deposits in person.
  - Many employers offer direct deposit for paychecks.
    - » Using the service may also help you save money – you might be able to set up your direct deposit to have a certain amount from each paycheck automatically sent to your savings account.

**Direct Deposit**

- Deposit money safely and securely into your account electronically
- No need to make deposits in person
- Many employers offer direct deposit for paychecks
  - Might be able to have part of your paycheck directly deposited into your savings account

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**SHOW SLIDE 41****SAY**

- **Automatic bill payment** lets you schedule and send payments electronically through your financial institution.
  - Payments can be set up as one-time or recurring, which means they happen on the same day or date according to a schedule you select. That could be every week, two weeks, month or something else.
- You can also set up an **automatic debit**.
  - This option allows you to give permission to a merchant or lender to take payments from your account one time or on a recurring basis.

**Automatic Bill Payment / Automatic Debit**

- **Automatic Bill Payment**
  - Schedule and send payments through your financial institution
  - One-time or recurring payments
- **Automatic Debit**
  - Give permission to merchant or lender to take payments from your account

**Make sure you have enough money in your account to cover these payments**

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- If you need to stop payment, contact the company you are paying to revoke authorization. This may take some time.
  - » You can also contact your financial institution and issue a “stop payment” if the merchant or lender is still processing your request to revoke authorization.
  - » You should do this at least three days in advance of the payment and expect to pay a fee for this service.
- **The key to using automatic bill payment or automatic debit is to make sure you have enough money in your account to cover the payments when they are made.**
  - You may want to make a list of all your payments and which ones you set up as automatic bill payments or automatic debits and on what schedule.
  - If you do not have enough money in your account to cover the payments when they are made, you will have to pay the fees associated with overdraft coverage if you have it or your payments will be declined. This could result in you being late paying your bills.



LEAD ACTIVITY (10 MINUTES) – EXERCISE

## ***Try It: Learning the Parts of a Check***

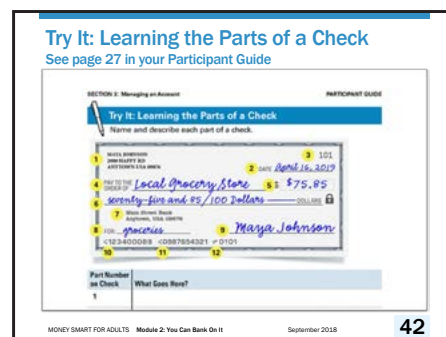
See page 27 in the Participant Guide.

### SHOW SLIDE 42



### SAY

- Turn to *Try It: Learning the Parts of a Check* on page 27 in your Participant Guide.
- Some people prefer or need to write checks while others do not.
  - In fact, some people have a checking account that does not allow them to write checks. They use a debit card and other electronic methods to access their money.
- And many people receive checks from others at some point.
- Whether you plan to write checks or just receive them, it's important to understand the information that's on them.



**SHOW SLIDE 43****SAY**

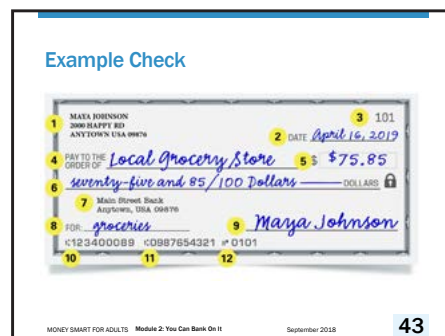
- With a partner, take five minutes to identify each part of this example check.
- Let's do number one together.

**ASK**

- What is number one on the check?
  - Answer: The name and address of the person who owns the account.

**DO**

- Give participants five minutes to complete the exercise in pairs.
- Share the correct answers using the answer key. Time permitting, ask participants to share their answers before sharing the correct answer.



## Try It: Learn the Parts of a Check – Answer Key



- |    |  |
|----|--|
| 1. | Name and address of the person who owns the account. So if this were your account, your name would be here.  |
| 2. | The date the check was written.  |
| 3. | The number of the check. Checks come in series. You may be contacted by your financial institution if you use checks out of order (like using check number 300 before using check number 200). |
| 4. | "Pay to the order of." This is the payee—the person or business being paid by the check. That's the person with the right to cash the check.   |
| 5. | The amount of the check written using numbers.   |

6.	The amount of the check written using words. It's best to make sure there is no room to write anything else on this line. Draw a line from the end of your words to the end of the line. This is sometimes called the "legal line." If the amount of the check written in numbers does not match the amount written in words, financial institutions will generally use the amount written in words.
7.	Your financial institution's name and address.
8.	The "for" line called the "memo line." You write notes to yourself or the party you are giving the check to. The financial institution does not use the information you write here. For example, you may write your utility company account number on a check you use to pay a utility bill.
9.	Your signature (or in this example, Maya's signature).
10.	Bank routing number. This is not unique to your account. It identifies the financial institution that issued the check. You also need this number to set up direct deposits and automated payments.
11.	Your account number. This is unique to your account. This tells the financial institution which account the money comes from. You need this number to set up direct deposits and automated payments.
12.	Check number. Not all checks will have the check number repeated here.



PRESENT INFORMATION (10 MINUTES)

## ***Apply It: Managing My Checking Account***

See page 28 in the Participant Guide.

### **SHOW SLIDE 44**



**SAY**

- Turn to *Apply It: Managing My Checking Account* on page 28 in your Participant Guide.
- Let's review some of the information from this *Apply It* together. You can follow along in your Participant Guide.
- You can also use this checklist after today's training to manage your checking account.

### Apply It: Managing My Checking Account

See page 28 in your Participant Guide

**SECTION 3: Managing an Account**

**Apply It: Managing My Checking Account**

Use this checklist to manage your checking account.

- ☐ **Read the rules of your account.** Be sure you understand the fees, including how you can avoid them.
- ☐ **Keep track of your deposits and withdrawals.** You can keep your own record each time you deposit or withdraw money. If your account provides online and/or mobile access, you can use a mobile app, your financial institution's online banking system, or another program to regularly track your checking account use. It usually gives real-time or almost real-time information.
- ☐ **Review your account statements.** Make sure you recognize each deposit or withdrawal and tell the bank right away if you see any errors.
- ☐ **Keep track of holds on your debit card.** If you use your debit card at a gas station, to make a rental car reservation, or to pay for a hotel, an "authorization hold" may be placed on your funds. This reduces the money available in your account. Depending on the business, an "authorization hold" may last up to 15 days.
- ☐ **Set up email or text alerts.** You may be able to receive alerts by email or text for a wide range of events, even if you do not regularly use mobile banking.

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**SHOW SLIDE 45****SAY**

- These guidelines can help you manage your checking account. Many of these items are the same as in the checklist for a savings account.
- **Read the rules of your account.**
  - Be sure you understand the fees, including how you can avoid them.  
You may have fees for things like going below a minimum balance, overdrafts, and ordering new checks.
- **Keep track of your deposits and withdrawals.**
  - If your account provides online and/or mobile access, you can use a mobile app, your financial institution's online banking system, or another program to regularly track your checking account use.
    - » It usually gives real-time or almost real-time information.
    - » However, sometimes transactions may not show up online or in the mobile app immediately or they may show up as "pending." They may or may not be subtracted from your balance yet. For example, often the tip you add to a restaurant bill you pay with a debit card may not show up online or be subtracted from your account for days after the meal charge shows up and is subtracted.
    - » It's important to realize that the account balance shown online or in your mobile app may not reflect all of the purchases or payments you have already made.
  - You can also keep your own record each time you deposit or withdraw money. You may receive a small booklet called a transaction register or check register to help you track transactions.
    - » If you do not track your account online or with mobile access, you can use the transaction register to track your transactions.
    - » Some individuals prefer to use the register even if they have online access.
    - » If you choose to use the transaction register, record each check you write, each deposit you make, each ATM withdrawal you make, every automatic payment you authorize from this account, every purchase or cash back transaction you make with your debit card, and every fee you are charged.

**Managing a Checking Account**

- Read the rules of your account
- Keep track of your deposits and withdrawals
- You can use:
  - A mobile app
  - Your financial institution's online banking system
  - Another program
  - A transaction register

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**SHOW SLIDE 46****■ Review your account statements.**

- Make sure you recognize each deposit or withdrawal on your statements and tell the financial institution right away if you see any errors.
  - » Don't be afraid to question small transactions you don't recognize.
  - » Identity thieves often make small charges using stolen debit card information to see whether your account is good to steal from. If you don't notice the small transactions, they may make a big one next time.

**■ Keep track of holds on your debit card.**

- If you use your debit card for certain transactions, such as at a gas station, to make a rental car reservation, to use car riding services, or to pay for a hotel stay, an "authorization hold" may be placed on your funds. Although this is typically a low amount, these amounts can vary and you need to be aware of them.
- This reduces the money available in your account until the hold is removed.
- Depending on the business, an "authorization hold" may last up to 15 days.

**■ Set up email or text alerts.**

- You may be able to have alerts sent to your email or via text for a wide range of events even if you do not regularly use mobile banking. Alerts can include:
  - » Balances falling below a threshold you set
  - » Deposits or withdrawals
  - » Debit card purchases
  - » ATM withdrawals
  - » Withdrawals when the debit card was not present
  - » Foreign transactions

**■ Ask about linking accounts.**

- Ask your financial institution if it can link your checking account to your savings account or a line of credit and automatically transfer money between accounts if you empty your checking account.
- The transfer fee may be considerably less than an overdraft fee.
- If your accounts are linked, it is even more important to review statements and transactions for fraud. If someone gains access to one of your accounts, they may be able to access all of your linked accounts.

**More Ways to  
Manage a Checking Account**

- Review your account statements
- Keep track of holds on your debit card
- Set up email or text alerts
- Consider linking your checking account to your savings account or line of credit
- Protect your debit card
- Stay safe online

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■ **Protect your debit card or ATM card.**

- Be wary of unsolicited calls or text messages asking you for your card number or personal identification number, called a PIN.
- If you lose your card, or you notice an unfamiliar purchase on your statement, report it to your financial institution immediately.
- You may be able to lock your card online. That will prevent further use until you unlock it or receive a replacement card. However, you must still contact your financial institution right away if your card has been lost or stolen to minimize your losses.

■ **Stay safe online.**

- The online safety measures we discussed for savings accounts also apply to checking accounts.



LEAD ACTIVITY (12 MINUTES) – SCENARIO

## ***Try It: Using a Transaction Register***

See page 29 in the Participant Guide.

### **SHOW SLIDE 47**



**DO**

- Ask participants to turn to *Try It: Using a Transaction Register* on page 29 in their Participant Guide.
- Read the scenario to participants or ask for a volunteer to do so.

**Try It: Using a Transaction Register**  
See page 29 in your Participant Guide

**Try It: Using a Transaction Register**  
Read the scenario. Use the list of transactions to complete Asif's transaction register on the next page and then answer the question.

**Scenario: Asif Uses a Transaction Register to Manage His Checking Account**  
Asif opened a checking account with an initial deposit of \$300. He decided to keep track of his transactions using the transaction register his bank provided. He was told it can also be called a check register. He thought this would help him monitor his spending and learn how a checking account works. Moving forward, Asif plans to also use his bank's mobile app to review his transactions.

**Here are Asif's transactions:**

1. Purchased groceries at Local Market for \$50.00 using debit card on 4/3/19
2. Purchased gasoline at USA Gas for \$30.00 using debit card on 4/3/19

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## **SCENARIO: Asif Uses a Transaction Register to Manage His Checking Account**

Asif opened a checking account with an initial deposit of \$300. He decided to keep track of his transactions using the transaction register his bank provided. He was told it can also be called a check register. He thought this would help him monitor his spending and learn how a checking account works.

Moving forward, Asif plans to also use his bank's mobile app to review his transactions.



*Here are Asif's transactions:*

1. Purchased groceries at Local Market for \$50.00 using debit card on 4/3/19
2. Purchased gasoline at USA Gas for \$30.00 using on 4/3/19
3. Deposited \$280.00 on 4/10/19
4. Automatic debit payment to Auto Lender USA for \$150.00 on 4/13/19
5. Deposited \$300.00 on 4/25/19
6. Got \$50 cash from out-of-network ATM on 4/28/19
7. Paid \$4.00 out-of-network ATM fee
8. Made rent payment to Happy Properties with Check 715 for \$500.00 on 5/1/19



### SAY

- Take 10 minutes to work with a partner to complete Asif's transaction register and answer the questions.
- After each transaction, calculate the balance and enter it in the final column.

### SHOW SLIDE 48



### DO

- After 10 minutes, provide answers to the questions using the Answer Key. Time permitting, ask participants to share their answers before sharing the correct answers.

**Try It: Using a Transaction Register—Answer Key**

Check Number	Date	Transaction	Withdrawal	✓ Deposit	Balance
				\$300.00	\$300.00
	4/3/19	Local Market	50.00		250.00
	4/3/19	USA Gas	30.00		220.00
	4/10/19	Deposit		280.00	500.00
	4/13/19	Auto Lender USA	150.00		350.00
	4/25/19	Deposit		300.00	650.00
	4/28/19	ATM	50.00		600.00
	4/28/19	ATM Fee	4.00		596.00
<b>715</b>	5/1/19	Happy Properties	500.00		96.00

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## Try It: Using a Transaction Register – Answer Key

Check Number	Date	Transaction	Withdrawal		✓	Deposit		Balance	
		Opening Deposit				\$300	00	\$300	00
	4/3/19	Local Market	50	00				250	00
	4/3/19	USA Gas	30	00				220	00
	4/10/19	Deposit				280	00	500	00
	4/13/19	Auto Lender USA	150	00				350	00
	4/25/19	Deposit				300	00	650	00
	4/28/19	ATM	50	00				600	00
	4/28/19	ATM Fee	4	00				596	00
715	5/1/19	Happy Properties	500	00				96	00

**What is Asif's ending balance?**

Answer: \$96.00

**Note to Instructor:** For the next part, note that the mobile app balance reflects that the \$500.00 rent check has not yet been processed, and that there is a double-entry for the \$50.00 transaction on April 3, 2019.



LEAD ACTIVITY (5 MINUTES) – SCENARIO

### Try It: Using a Mobile App

See page 31 in the Participant Guide.

#### SHOW SLIDE 49



#### SAY

- Turn to *Try It: Using a Mobile App* on page 31 in your Participant Guide.
- Now let's help Asif use a mobile app to help manage his checking account.
- Look in your Participant Guide at the screen that Asif sees when he opens the app on May 1, right after dropping off his rent check to Happy Properties.
- Review the previous scenario, which lists Asif's transactions in April and that first day in May.

**Try It: Using a Mobile App**  
See page 31 in your Participant Guide

SECTION 3: Managing an Account PARTICIPANT GUIDE

**Try It: Using a Mobile App**  
Now let's help Asif use a mobile app to manage his checking account. Below is the screen that Asif sees when he opens the app on May 1, right after dropping off his rent check to Happy Properties.  
Review the mobile app screen and the previous scenario. Then answer the questions.

Which transaction from the list of recent transactions is missing in Asif's Mobile App Screen? Why?

**Asif's Mobile App Screen**

**AT&T Investment Management**  
Checking 1 - 1903

Current Balance	\$546.00
As of 5/1/19	
9987 ABC - Local Market	
Date	Apr 3, 2019
Debit/Credit	(\$50.00)
9987 ABC - Local Market	
Date	Apr 3, 2019
Debit/Credit	(\$50.00)
9988 XYZ - 101 X Ave	

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## Asif's Mobile App Screen, as Shown in the Participant Guide



## ASK

- Which transaction from the list of recent transactions is missing in Asif's Mobile App Screen? Why?
  - Answer: Check 715 that Asif used to pay his \$500.00 rent to Happy Properties on May 1 is missing. The transaction is missing because Happy Properties has not yet deposited the check into their own bank account and the money hasn't yet been taken out of Asif's account. Remember, Asif is looking at his app right after dropping off that check.
  - If you monitor your account online or through a mobile app, remember that checks do not appear right away.
- Which transaction is incorrect?
  - Answer: Local Market charged Asif twice for the \$50.00 purchase he made on April 3.
  - Asif should contact that merchant, explain the double charge, and ask them to credit his account. He can use his mobile app to make sure his account is credited for \$50.00.

## Asif's Mobile App Screen

<b>Current Balance</b>		<b>\$546.00</b>
<b>As of 05/01/19</b>		
<b>0987 AXC Local Market</b>		
<b>Date</b>	Apr. 3, 2019	
<b>Debit/Credit</b>	-\$50.00	
<b>0987 AXC Local Market</b>		
<b>Date</b>	Apr. 3, 2019	
<b>Debit/Credit</b>	-\$50.00	
<b>1234 XYZ USA Gas</b>		
<b>Date</b>	Apr. 3, 2019	
<b>Debit/Credit</b>	-\$30.00	
<b>Deposit Check 01928</b>		
<b>Date</b>	Apr. 10, 2019	
<b>Debit/Credit</b>	+\$280.00	
<b>EPay 123455678</b>		
<b>Date</b>	Apr. 13, 2019	
<b>Debit/Credit</b>	-\$150.00	
<b>Deposit Check 01957</b>		
<b>Date</b>	Apr. 25, 2019	
<b>Debit/Credit</b>	+\$300.00	
<b>ATM Withdrawal - Network Systems 1983095</b>		
<b>Date</b>	Apr. 28, 2019	
<b>Debit/Credit</b>	-\$50.00	
<b>ATM Withdrawal - Network Systems 1983096</b>		
<b>Date</b>	Apr. 28, 2019	
<b>Debit/Credit</b>	-\$4.00	



PRESENT INFORMATION (5 MINUTES)

## Automated Teller Machine (ATM) Cards

See page 32 in the Participant Guide.

### SHOW SLIDE 50



#### SAY

- You may receive an ATM card or a debit card from your financial institution. Let's talk about ATM cards first.
- ATM cards allow you to use an automated teller machine (ATM) for various account transactions. The money you withdraw comes out of your financial institution account.
- Ask your financial institution if you can use your ATM card to make some purchases.
- When you use your ATM card, you will be prompted to type in your personal identification number or PIN. Avoid sharing your PIN with other people.
- An ATM may allow you to:
  - Get cash by making a withdrawal from your account
  - Check your account balance
  - Deposit money into your account by inserting cash or checks into the ATM
  - Transfer money, such as a transfer of funds from your savings account to your checking account
  - Make some payments, such as a payment on a credit card you have through your financial institution
- When you use an ATM that is not affiliated with your financial institution, you may pay a fee for some transactions. The ATM will notify you of fees and prompt you to accept them before you make your transaction.
  - Know which ATMs you can use without paying fees. You can ask a representative of your financial institution for that information or check if the financial institution's website includes a map or listing of ATM locations.
- ATMs have various accessibility features that may include Braille-numbered keypads, large-print and high-contrast screens and keypads, height and shape that accommodate people who use wheelchairs, and audio features. Explain what features you need in an ATM to your financial institution to learn how they can meet those needs.

#### Automated Teller Machine (ATM) Cards

- Use an ATM for a variety of account transactions
- Ask your financial institution about purchases with an ATM card
- Money comes out of your financial institution account
- There are various accessibility features
- Keep safety in mind

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- Keep safety in mind.
  - Thieves sometimes target ATMs. If anything about an ATM or the people in the area looks suspicious, avoid using it.
  - Contact your financial institution immediately if you lose your ATM card, you are worried that others know your PIN, or you have other concerns related to your ATM card.



PRESENT INFORMATION (4 MINUTES)

## Debit Cards

See page 32 in the Participant Guide.

### SHOW SLIDE 51



#### SAY

- We've talked a little about debit cards already. A debit card can be used for everything an ATM card can be used for; plus it can be used to make purchases.
- Debit cards look like credit cards because they have a card network logo, such as American Express, Discover, MasterCard, or VISA.
- However, they are not credit cards.
- When you use your debit card, the money is taken out of your financial institution account.
  - Some retailers may allow you to process a transaction using your debit card as a "debit" or "credit" transaction. That simply refers to the network that processes the transaction.
  - Choosing a "credit" transaction with a debit card does not mean you are using credit. The money still comes out of your checking or savings account.

#### Debit Cards

- Do what ATM cards do, plus more
- Look like credit cards because they have a card network logo on them
  - But they are **not** credit cards
  - Can be processed on credit network, but still not using credit
- Money is taken out of your checking account

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PRESENT INFORMATION (5 MINUTES)

## “Person-to-Person” (P2P) Payments

See page 33 in the Participant Guide.

### SHOW SLIDE 52



#### SAY

- Mobile applications or apps, and other web-based services allow person-to-person, or P2P, money transfers. Typically, users link the mobile payment system to their bank accounts or credit card accounts and initiate transfers of funds to others who are also users of the same app or web-based service.
  - Using an app for P2P payments is one way to handle everyday money transactions with other people, such as paying a babysitter or reimbursing a friend for lunch.
  - There are several different P2P systems and they work differently. One may let you transfer money after logging into a website. Another may let you transfer money by physically touching your phone to another person’s phone.
  - P2P payments is a rapidly changing area of financial services.

#### “Person to Person” Payments (P2P)

- Money transfers to another person
- Help with everyday money transactions, such as paying babysitter or reimbursing lunch
- Different P2P systems – each work differently
- Rapidly changing area
- Keep in mind federal deposit insurance, fees, privacy, funds availability, and more

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**Note to Instructor:** Consider sharing the names of common P2P apps, or asking participants to name the apps they know about or use.

- Keep these things in mind if you are using P2P apps or thinking about using them:
  - **Is it through a federally insured financial institution?** If you’re interested in using P2P payments, ask your federally insured financial institution whether it offers the service. And if yours doesn’t, try other financial institutions.
    - » While a number of non-financial institution companies also offer P2P payments, there can be benefits to working with a financial institution, such as the opportunity to maintain a financial relationship and obtain other products and services at reasonable rates. Another potential benefit is that funds are federally insured, which may not be the case with a non-financial institution P2P account.
  - **Fees.** There are numerous possibilities. Is there a fee to sign up? A fee to send money? A fee to receive money? Is there a single, fixed transaction fee for a service or is it calculated as a percentage of the transaction amount?

- » Shop around to find a service with costs that seem reasonable.
- » If you are the recipient and the fee to receive money seems high, don't be shy about telling the sender you would prefer to be paid another way.
- **Privacy.** Be aware of the service's privacy practices and how your information and that of your recipients will be used.
  - » If you decide to use the service, set all available privacy settings to your preferences. Some service providers may, for example, share certain aspects of your transaction activity with other users, such as your social media "friends." If you don't want that to happen, evaluate whether the service provider's privacy settings allow you to turn off that feature. Because a P2P service provider's privacy practices can change, periodically check its policies and your privacy settings to ensure they still are set in the way you want.
- **Funds availability.** Know when the money you send will be charged to your credit card or deducted from your account. Also be clear on when that money will be available to the recipient.
- **Your rights and dispute resolution.** Know what the service provider's user agreement says about resolving errors and disputes. For example, what will happen if the service provider pays the wrong person or the wrong amount? And, what if you caused the error by mistyping the recipient's email address or the amount you wanted to send? That can easily happen, especially when you're typing on a small mobile phone.
  - » If the payment is drawn from your checking or savings account, or a credit card, you have rights under federal law to have the error resolved. But if the payment comes from somewhere else, like funds you have on hold in an account with the payment service provider, you might not have the same legal protections. Instead, you might have to rely on the service provider's own policies or perhaps state laws that apply to money transfers. In any case, find out what the service provider's user agreement says will happen if something goes wrong.



PRESENT INFORMATION (1 MINUTES)

## Mobile Wallet Apps

See page 33 in the Participant Guide.

### SHOW SLIDE 53



### SAY

- A mobile wallet is a type of mobile app that some people like to use along with a debit card.

#### Mobile Wallet Apps

- Make point-of-sale purchases with your mobile device instead of a debit, credit, or prepaid card
- Keep your device and information secure
  - Visit [OnGuardOnline.gov](https://www.onguardonline.gov)

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- You enter information from your debit card into the app and use your mobile device to make point-of-sale purchases instead of using the debit card.
- You can also use mobile wallet apps to make purchases using a credit card or prepaid card.
- Visit **OnGuardOnline.gov** for tips to keep your mobile device secure.



PRESENT INFORMATION (1 MINUTE)

## Section Closing

See page 33 in the Participant Guide.

### SHOW SLIDE 54




#### SAY

- Remember the key takeaway from this section: **Learn the rules of your account and keep track of how you use it. This can help you keep costs down and develop a positive banking relationship.**

**Section 3: Remember the Key Takeaway**

*Learn the rules of your account and keep track of how you use it. This can help you keep costs down and develop a positive banking relationship.*



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## Section 4: Prepaid Cards

**Training Time Estimate for This Section:** 40 minutes

### Objectives

Participants will be able to:

- Explain how a prepaid card works
- List common features of prepaid cards
- List tips for using prepaid cards effectively





PRESENT INFORMATION (1 MINUTE)

## Introduction to Section and Key Takeaway

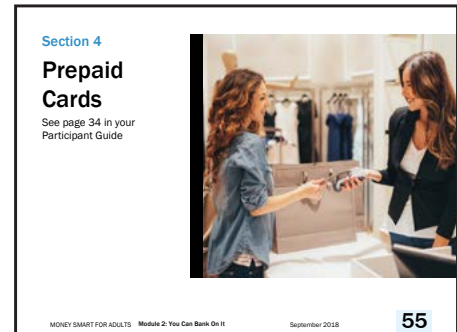
See page 34 in the Participant Guide.

### SHOW SLIDE 55



SAY

- We will discuss how prepaid cards work, common features of prepaid cards, and how to use them effectively.

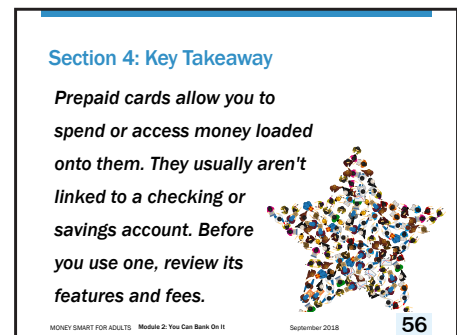


### SHOW SLIDE 56



SAY

- The key takeaway from this section is: **Prepaid cards allow you to spend or access money loaded onto them. They usually aren't linked to a checking or savings account. Before you use one, review its features and fees.**



PRESENT INFORMATION (4 MINUTES)

## How Prepaid Cards Work

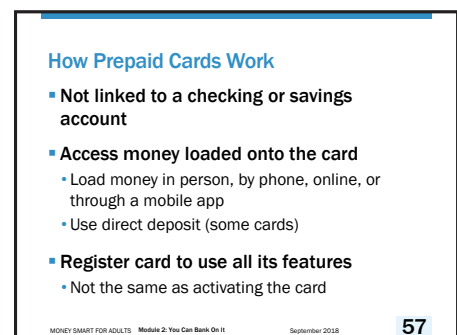
See page 34 in the Participant Guide.

### SHOW SLIDE 57



SAY

- A prepaid card is different from a debit card.
- A prepaid card is not linked to an account at a financial institution.
  - Instead, you are using money that has been loaded onto the prepaid card in advance.
  - You may decide to get a prepaid card if you cannot open an account at a financial institution. They offer the same convenience as a debit card and you don't have to carry cash.



- Or, you may decide to get a prepaid card as a gift for someone instead of giving them cash. Or, someone may have given you a prepaid card as a gift.
  - You can usually load money onto a prepaid card in person, by phone, online, or through a mobile app.
    - » The money loaded onto the card can come from direct deposit of your pay or benefits or a transfer from a bank account or another prepaid card.
    - » Or you may be able to load money onto your card using cash at retail locations or at the financial institution that provides the card.
  - You may be charged a fee for some ways of adding money to your card and not for other ways.
  - Most cards do not allow you to spend more money than is loaded on the card. Some people might find this helpful as a safeguard against accidentally spending more money than they have.
- Prepaid cards are widely available from financial institutions and other businesses. You can purchase them in person or online.
  - To access all of a prepaid card's features and benefits, you must register the card. These features and benefits might include protections related to the loss or theft of your card.
    - Registration is not the same as activating the card.
    - Follow the instructions on the card or packaging.
      - » You will be required to provide personal information that includes your name and date of birth.

**SHOW SLIDE 58****SAY**

- There are different kinds of prepaid cards.
- Many prepaid cards have a network logo on them, such as Visa, MasterCard, American Express, or Discover. These cards can be used at any location that accepts debit cards displaying that network logo. This includes ATMs.
- **Let's look at the general kinds of prepaid cards.**
  - A **reloadable prepaid card** is a card you can add more money to.
    - » This type of card is sometimes called a general purpose reloadable card.

**Kinds of Prepaid Cards**

- Reloadable prepaid cards
- Payroll cards
- Electronic benefit transfer (EBT) cards
- College or university identification cards
- Prepaid cards for specific stores or public transportation systems

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- » Some cards start as non-reloadable, but can be reloaded once you complete a registration process.
- A **payroll card** is a prepaid card you get from your employer.
  - » Your pay is loaded onto it.
- An **electronic benefit transfer or EBT card** is a prepaid card used by government agencies to pay certain government benefits, such as disability benefits or unemployment insurance.
  - » These may also be called government benefit cards.
- Some **college or university identification cards** are also prepaid cards.
- Some prepaid cards can only be used at certain locations.
  - For example, some prepaid cards can only be used at a specific store or on a certain public transportation system. These cards generally do not have a network logo on them.



LEAD ACTIVITY (10 MINUTES) – EXERCISE

## ***Try It: Features of Most Reloadable Prepaid Cards***

See page 35 in the Participant Guide.

### **SHOW SLIDE 59**



#### **SAY**

- Turn to *Try It: Features of Most Reloadable Prepaid Cards* on page 35 in your Participant Guide.
- Take five minutes to work in small groups. Check Yes if you think the item is likely a feature of prepaid cards. Check No if you think it is not a likely feature.

- Assume the network brand is accepted by the vendor in each scenario.



#### **DO**

- After five minutes, share the answers from the Answer Key. Time permitting, ask participants to share their answers before providing the correct answer.

**Try It: Features of Most Reloadable Prepaid Cards**  
See page 35 in your Participant Guide

SECTION 4: Prepaid Cards PARTICIPANT GUIDE

**Try It: Features of Most Reloadable Prepaid Cards**  
Check Yes or No for each item.

Is This a Feature of Most Reloadable Prepaid Cards?	Yes	No
You can use it in a restaurant to purchase a meal.		
You can get money out of an ATM with it.		
You can use it to build your credit.		
You can make a hotel reservation with it.		
You can buy your groceries with it.		
You can only load money on it where the card was purchased.		
You can have funds directly deposited onto it.		
You must have a good credit score to get it.		
You can build savings on it.		
You have FDIC insurance on its funds if certain conditions are met.		

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## ***Try It: Features of Most Reloadable Prepaid Cards – Answer Key***

- You can use it in a restaurant to purchase a meal.
  - The answer is “yes,” assuming there is enough money loaded onto the card for the transaction. However, not all restaurants will accept prepaid cards to pay for a meal.
- You can get money out of an ATM with it.
  - The answer is “yes,” again assuming there is enough money loaded onto the card for the transaction.
- You can use it to build your credit.
  - The answer is generally “no.” You generally are not borrowing money with prepaid cards.
- You can make a hotel reservation with it.
  - The answer is “yes,” again assuming there is enough money loaded onto the card for the transaction. However, not all hotels will accept prepaid cards for reservations.
- You can buy your groceries with it.
  - The answer is “yes,” again assuming there is enough money loaded onto the card for the transaction.
- You can only load money on it where the card was purchased.
  - The answer is “no.” You can likely load money at other locations that sell the card, online, and through mobile apps.
- You can have funds directly deposited onto it.
  - The answer is “yes,” for some reloadable prepaid cards.
- You must have a good credit score to get it.
  - The answer is “no.”
- You can build savings on it.
  - The answer is “yes,” for some reloadable prepaid cards.
- You have FDIC insurance on its funds if certain conditions are met.
  - The answer is “yes.”
  - If these requirements are met, your funds will be insured up to the limits provided by the FDIC.
    - » The prepaid card must be registered with the card issuer so the FDIC can identify the cardholder.
    - » The account records at the FDIC-insured bank (that issued the card) show that the prepaid card provider is serving as the cardholder’s agent.
    - » The records of the FDIC-insured bank (or other party) show the identities of the actual owners of the funds (such as you, the cardholder) and the amount owned by you.

- » The contractual agreements among the bank, the prepaid card provider, and the cardholders indicate that the individual cardholders are the owners of the funds.
- » Remember, FDIC insurance protects your funds only if the bank holding the funds fails. It does not protect you from losing money if your prepaid card is lost or stolen.
- You can borrow money with it.
  - The answer is “no.”
- You can set up text or email alerts to monitor use of it.
  - The answer is usually “yes.”
- You can view the card account history online if you register the account and activate the online features.
  - The answer is “yes.”



LEAD ACTIVITY (5 MINUTES) – EXERCISE

## ***Try It: What Fees are Common to Reloadable Prepaid Cards?***

See page 35 in the Participant Guide.

### **SHOW SLIDE 60**



### **SAY**

- Turn to *Try It: What Fees are Common to Reloadable Prepaid Cards?* on page 35 in your Participant Guide.
- If you use prepaid cards, be sure you know what fees you might have to pay and how you may be able to avoid them. You can find this out by reading your cardholder agreement.
  - Often this is on the packaging when you buy the card.
  - You can also review the information online at the provider’s website.
- Not all cards have all fees, but let’s look at some fees you may see as you are shopping for a prepaid card.
- Take two minutes to complete this exercise. Put a check next to the prepaid card fees you think are charged by at least some prepaid cards.

**Try It: What Fees are Common to Reloadable Prepaid Cards?**

See page 35 in your Participant Guide

**Try It: What Fees are Common to Reloadable Prepaid Cards?**

Put a check next to the prepaid card fees you think are charged by at least some reloadable cards.

<input type="checkbox"/> Monthly fee	<input type="checkbox"/> Balance inquiry fee
<input type="checkbox"/> Transaction fee	<input type="checkbox"/> Additional card fee
<input type="checkbox"/> Account or card reload fee	<input type="checkbox"/> Inactivity fee
<input type="checkbox"/> Bill payment fee	<input type="checkbox"/> Lost or stolen card replacement fee
<input type="checkbox"/> ATM withdrawal fee	<input type="checkbox"/> Fee for canceling the card

Read your card agreement when you get your prepaid card. Be sure you understand the fees and what you may be able to do to avoid the fees.

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**DO**

- After two minutes, tell participants that all of the fees listed are real fees charged by at least some reloadable prepaid cards.
- Encourage participants to understand the fees of prepaid cards they have or are considering getting. The packaging of prepaid cards and card provider websites are great places to start.

**Note to Instructor:** Use the following explanations when participants ask for clarification on specific fees.

**■ Monthly fee**

- A monthly fee is a fee you pay each month, even if you don't use the card. The fee is automatically deducted from the balance on the card. Some cards that charge a monthly fee may waive the fee under certain circumstances, such as if you have your pay or Social Security benefits deposited directly onto your prepaid card.

**■ Transaction fee**

- A transaction fee is a fee charged every time you use the card for certain types of transactions, such as making purchases or loading money onto the card. Some cards let you choose between a plan that charges transaction fees and one that charges a single monthly fee.

**■ Account or card reload fee**

- A cash reload fee is a fee for adding money to your card. If you add money to your card at a retail store, you will likely pay a fee. Prepaid cards may also provide other options for loading money to your card, such as direct deposit, without a fee.

**■ Bill payment fee**

- Some prepaid card providers let you sign up to pay your bills online through their website. Your card provider may charge a fee each time you use the program to pay a bill.

**■ ATM withdrawal fee**

- You may incur this fee when you withdraw money at an ATM that is not free for you to use.

**■ Balance inquiry fee**

- You may be charged a balance inquiry fee if you check your prepaid card balance at an ATM, or if you call customer service to ask about your balance. Most cards offer at least one free way to check your balance. For example, you might be able to check your balance online for free or request the balance information by email or text for free.

### ■ Additional card fee

- Some prepaid card providers let you get an extra card for another person you designate as an “authorized user” of your card. That card lets someone else spend your money, so you want to think carefully about whether to add an authorized user to your prepaid account. You may have to pay a fee for the additional card.

### ■ Inactivity fee

- An inactivity fee is a fee charged if you don’t use your card for a long time. The time that triggers an inactivity fee varies.

### ■ Lost or stolen card replacement fee

- Your prepaid card provider may charge a fee to replace your card if it is lost, stolen or damaged.

### ■ Fee for canceling the card

- You can cancel a prepaid card at any time. You usually won’t pay a fee to cancel your card, but there may be a fee to get a check for the remaining balance on the card.



LEAD ACTIVITY (14 MINUTES) – SCENARIO

## ***Try It: A Prepaid Card or a Bank Account?***

See page 36 in the Participant Guide.

### SHOW SLIDE 61



#### DO

- Ask participants to turn to *Try It: A Prepaid Card or a Bank Account?* on page 36 in your Participant Guide.
- Read the scenario to participants or ask for a volunteer to do so.

### Try It: A Prepaid Card or a Bank Account?

See page 36 in your Participant Guide

SECTION 4: Prepaid Cards

**Try It: A Prepaid Card or a Bank Account?**

Read the scenario and answer the questions.

This scenario presents two choices to illustrate similarities and differences. In reality, Lucia does not need to choose only one. She can have both—a prepaid card, and a bank account with a debit card.

**Scenario: Should Lucia Use a Prepaid Card or Open a Bank Account?**

Lucia has been using cash for everything, but she wants to build a relationship with a bank. She is unsure about where to start. She wants to be able to make purchases easily and pay her bills. She does not yet have a driver's license. She also does not have a credit history.

One of her friends told her about reloadable prepaid cards. She's not sure if she should get one. Her employer talked to her about establishing a relationship with a financial institution. She could open an account and use a debit card to buy things and pay for bills. She is confused about what she should do.

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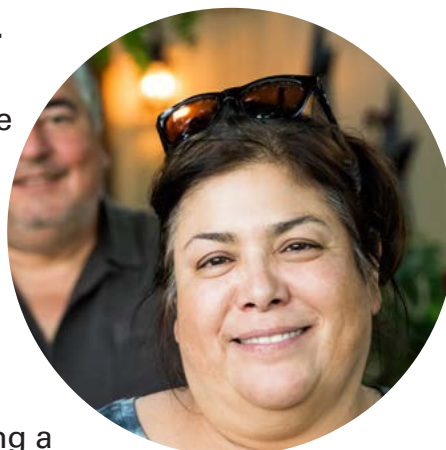
**Note to Instructor:** This scenario presents two choices to illustrate similarities and differences. In reality, Lucia does not need to choose either one or the other. She could have both a prepaid card and a bank account with a debit card.



**SCENARIO: Should Lucia Use a Prepaid Card or Open a Bank Account?**

Lucia has been using cash for everything, but she wants to build a relationship with a bank. She is unsure about where to start. She wants to be able to make purchases easily and pay her bills. She does not yet have a driver's license. She also does not have a credit history.

One of her friends told her about reloadable prepaid cards. She's not sure if she should get one. Her employer talked to her about establishing a relationship with a financial institution. She could open an account and use a debit card to buy things and pay for bills. She is confused about what she should do.

**DO**

- Break participants into small groups.
- Assign half of the groups the first question and the other half the second question.
- Give participants five minutes to discuss the answer to their assigned question.
- After five minutes, time permitting, invite participants to share their answers before providing the answers that follow.
- **Why might Lucia want to use a reloadable prepaid card instead of opening a bank account that provides a debit card?**
  - Possible answers:
    - » She may not be able to open an account at some financial institutions because she cannot yet verify her identity using traditional methods.
    - » She doesn't need to have an account at a financial institution in order to get a prepaid card. She needs an account to get a debit card.
    - » A reloadable prepaid card may give her some experience with the U.S. banking system.
    - » She may have a record of her transactions if she registers the card and activates online statement options.
    - » A prepaid card is easy-to-purchase.
    - » The money on the card can be insured by the Federal Deposit Insurance Corporation, providing her with safety and security; however, she needs to make sure all of the requirements we discussed previously are met.

» She can't overspend. She can only spend the money that she loads onto the card.

■ **Why might Lucia want to open a bank account and use a debit card instead of using a reloadable prepaid card?**

- Possible answers:
  - » Opening an account can establish a relationship with a financial institution. She may be able to access other products or services in the future, such as a loan.
  - » Her money will be federally insured, providing her with safety and security. The FDIC insures banks and the NCUA insures credit unions.
  - » A bank account can give her greater experience with the U.S. banking system.
  - » A bank account provides options for paying bills—debit card, checks, and automatic bill payments. And, she'll need to make sure she keeps track of her transactions so she does not overdraw the account; even with overdraft protection, overdrawing her account can become costly.



PRESENT INFORMATION (1 MINUTE)

## ***Apply It: Reloadable versus Debit—Which Card is Right for Me?***

See page 37 in the Participant Guide.

### **SHOW SLIDE 62**



**SAY**

- Turn to *Apply It: Reloadable versus Debit—Which Card is Right for Me?* on page 37 in your Participant Guide.
- You can use this *Apply It* after today's training to compare a reloadable prepaid card and a debit card to help you figure out the right option for you right now.

**Apply It: Reloadable versus Debit—Which Card is Right for Me?**  
See page 37 in your Participant Guide

Reloadable Prepaid Card	Debit Card
<p><b>Not linked to an account at a financial institution</b></p> <p>If you are unable to open an account at a financial institution right now, a reloadable prepaid card may be an option for you.</p>	<p><b>Linked to your account at a financial institution</b></p> <p>If you do not have an account at a financial institution, you cannot use a debit card. If you want a debit card, consider applying for a checking or savings account at a financial institution.</p>
<p><b>Balance on the card may be insured by the FDIC if certain conditions are met.</b></p>	<p><b>Deposits at a federally insured financial institution are insured by the FDIC (banks) or NCUA (credit unions).</b></p>
<p><b>Uses money loaded onto the card.</b></p>	<p><b>Uses money deposited in your account.</b></p>
<p><b>Safer than carrying cash.</b></p>	<p><b>Safer than carrying cash.</b></p>
<p><b>Generally can't spend more money than is loaded onto the card.</b></p>	<p><b>For a fee, may be able to spend more money than you have in your account if you opt-in to an overdraft account.</b></p>

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**Note to Instructor:** Time permitting, review the *Apply It* with participants using a copy from a Participant Guide.



PRESENT INFORMATION (2 MINUTES)

## Lost or Stolen Prepaid Cards

See page 38 in the Participant Guide.

### SHOW SLIDE 63



#### SAY

- If your card is lost or stolen, or you notice a charge on your statement you did not make, report the problem right away to the card issuer. That can help you avoid further losses.
- If money was already taken from your card, network-branded prepaid card providers usually give protections for loss or theft, but check your card provider's website or your cardholder agreement to find out the specifics.
- You generally must register your card to get the protections offered by the issuer.

#### Lost or Stolen Prepaid Cards

- Report loss, theft or charge you did not make right away to the card issuer
- Protections depend on type of card
- Generally must register card to get protections offered by card issuer

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PRESENT INFORMATION (2 MINUTES)

## Tips for Using Prepaid Cards

See page 38 in the Participant Guide.

### SHOW SLIDE 64



#### SAY

- Consider these tips for using prepaid cards:
  - Review your account transaction history and dispute any charges you did not authorize.
  - Understand your card's limits, such as the maximum amount of money that can be loaded onto the card, other limits related to reloading funds, and any limits to purchases or withdrawals.
  - Know what fees will be charged and what you may be able to do to avoid them.
  - Report a loss or theft immediately.
  - Stay safe online. Visit **OnGuardOnline.gov**.

#### Tips for Using Prepaid Cards

- Review your account and dispute charges you did not authorize
- Understand your card's limits
- Know the fees and how to avoid them
- Report loss or theft immediately
- Stay safe online



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PRESENT INFORMATION (1 MINUTE)

## Section Closing

See page 38 in the Participant Guide.

### SHOW SLIDE 65



#### SAY

- Remember the key takeaway from this section: **Prepaid cards allow you to spend or access money loaded onto them. They usually aren't linked to a checking or savings account. Before you use one, review its features and fees.**

#### Section 4: Remember the Key Takeaway

*Prepaid cards allow you to spend or access money loaded onto them. They usually aren't linked to a checking or savings account. Before you use one, review its features and fees.*



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# Module Closing

**Training Time Estimate:** 10 minutes



LEAD ACTIVITY (5 MINUTES)

## Remember the Key Takeaways

See page 39 in the Participant Guide.

**Note to Instructor:** Only mention key takeaways for sections you included in the training.



**SAY**

- Remember the key takeaways. These are also listed on page 39 in your Participant Guide. Let me know if you have questions about any of them.

Section	Key Takeaway
1: Financial Products, Services, and Providers	Consider your needs and shop around for financial products and services.
2: Opening an Account	Know the general process for opening a savings or checking account, including options if you are initially unable to open an account.
3: Managing an Account	Learn the rules of your account and keep track of how you use it. This can help you keep costs down and develop a positive banking relationship.
4: Prepaid Cards	Prepaid cards allow you to spend or access money loaded onto them. They usually aren't linked to a checking or savings account. Before you use one, review its features and fees.



## Take Action

See page 39 in the Participant Guide.

**SHOW SLIDE 66**



**SAY**

- You are more likely to take action if you commit to taking action now.
- Consider writing down what you intend to do because of what was covered during this training session.

**Take Action**  
See page 39 in your Participant Guide

- What will I do?
- How will I do it?
- Will I share my plans with anyone? If so, who?

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- Take a few minutes now to answer the questions under *Take Action* on page 39 in your Participant Guide:
  - What will I do?
  - How will I do it?
  - Will I share my plans with anyone? If so, who?

**DO**

- Time permitting, ask participants if they want to share what they are going to do or how they are going to do it.
- Remind participants about the activities in their Participant Guide they can complete after today's training.
- Refer participants to *Where to Get More Information or Help* on page 40 in their Participant Guide for a list of online resources.
- If this is the end of your training, thank participants for attending and administer the post-training survey.



LEAD ACTIVITY (5 MINUTES)

## Post-Training Survey

See page 43 in the Participant Guide.

**Note to Instructor:** After training ends, you can ask participants to complete the post-training survey in the back of their Participant Guide. You may want to give them “loose” copies so they don’t have to tear them out. The knowledge questions are the same as those in the pre-training survey.

The answer key is at the end of this Instructor Guide.

You may decide to compare post-training surveys to pre-training surveys to estimate knowledge gains of the entire group or for each participant. If you want to estimate by participant, ask them to write their last name or some other unique identifier on both their pre- and their post-training surveys so you can compare them for a given participant.

**SHOW SLIDE 67****SAY**

- Thank you for attending this Money Smart Training called **“You Can Bank On It.”**
- Before you leave, please take a few minutes to complete the Post-Training Survey on page 43 of your Participant Guide.
- I can look at the surveys to tell if I helped you add to your knowledge and to make changes and improvements to future trainings.
  - It should take less than five minutes to complete.
  - Let me know if you have any questions.

**DO**

- Collect the completed surveys if you plan to review them or compare them to pre-training surveys.
- Review the answers to the knowledge questions using the Answer Key on the next page.

**Post-Training Survey**  
See page 43 in your Participant Guide

**THANK YOU**

**Post-Training Survey**  
Your instructor may ask you to complete this post-training survey after the training ends.

Please answer these questions:

1. It's not important to shop around for financial products, services, or providers.	True	False
2. If you have a negative banking history report or credit history, you cannot open an account at a financial institution.	True	False
3. Successful management of a checking account includes understanding the rules of the account.	True	False
4. All prepaid cards charge the same fees.	True	False
5. Your money in an FDIC insured	True	False

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## Answer Key for Both the Pre- and Post-Training Surveys

1. It's not important to shop around for financial products, services, or providers.  
The answer is **false**.
2. If you have a negative banking history report or credit history, you cannot open an account at a financial institution.  
The answer is **false**.
3. Successful management of a checking account includes understanding the rules of the account.  
The answer is **true**.
4. All prepaid cards charge the same fees.  
The answer is **false**.
5. Your money in an FDIC-insured deposit account (including checking accounts and savings accounts) is insured up to \$250.  
The answer is **false**.
6. Which of the following will help you manage your checking account? Choose all that apply.  
The answer is **a, b, and d**.
  - a. **Keep track of deposits, withdrawals, and debit card transactions**
  - b. **Set up text or email alerts**
  - c. Review how much your employer is withholding from your pay for taxes
  - d. **Use secure, private Internet connections for managing your account online or using a mobile app**
  - e. None of the above

continued on next page

**Note to Instructor:** There are no “right” or “wrong” answers to the remaining questions, which appear in the post-training survey and not in the pre-training survey.

### About the Training

Check the box that best describes your agreement or disagreement with each of these statements.

	Completely agree	Somewhat agree	Somewhat disagree	Completely disagree
7. I would recommend this training to others.				
8. I plan to apply what was discussed in this training to my life.				
9. The instructor used engaging training activities that kept me interested.				
10. The instructor was knowledgeable and well prepared.				
11. The Participant Guide is clear and helpful.				

## Money Smart for Adults Modules

Thank you for presenting this module. Consider providing training on other Money Smart for Adults modules, as shown below. Visit [www.FDIC.gov/moneysmart](http://www.FDIC.gov/moneysmart).

Module Number	Module Name	Module Focus
1	<b>Your Money Values and Influences</b>	Internal values and goals, external influences, and their relationships to financial decisions
2	<b>You Can Bank On It</b>	Financial products, services, and providers
3	<b>Your Income and Expenses</b>	How to track income and expenses
4	<b>Your Spending and Saving Plan</b>	How to develop a spending and saving plan, and how to prioritize spending when money is short
5	<b>Your Savings</b>	Saving money for expenses, goals, and emergencies
6	<b>Credit Reports and Scores</b>	Credit reports and scores, building productive credit histories, and repairing and improving credit
7	<b>Borrowing Basics</b>	Options for borrowing money and the costs
8	<b>Managing Debt</b>	Different kinds of debt and ways to manage it
9	<b>Using Credit Cards</b>	How credit cards work and how to manage them
10	<b>Building Your Financial Future</b>	Ways to build assets, including buying a car and getting training and education
11	<b>Protecting Your Identity and Other Assets</b>	Ways to recognize, respond to, and reduce the risks of identity theft, along with strategies for protecting other assets
12	<b>Making Housing Decisions</b>	Different types of safe and affordable housing, including specific information on renting
13	<b>Buying a Home</b>	The home buying process, including mortgages
14	<b>Disasters—Financial Preparation and Recovery</b>	How to financially prepare for, and recover from, disasters

Visit the FDIC's website at **[www.fdic.gov/education](http://www.fdic.gov/education)** for more information and resources on banking-related issues. For example, 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

**You can also call the FDIC for information and assistance at  
877-ASK-FDIC (877-275-3342).**



**MONEY SMART for Adults**

**INSTRUCTOR GUIDE  
Module 2: You Can Bank On It**

**September 2018  
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