MONEY SMART FOR YOUNG ADULTS

MODULE 1

Bank On It

Instructor Guide

FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

FDIC-010-2022

The Federal Deposit Insurance Corporation is an independent agency created by Congress to maintain stability and public confidence in the nation's financial system. One way we do that is by providing free, nonbiased financial education materials, including this instructor guide. For more information about our family of Money Smart products, visit **www.fdic.gov/moneysmart**.

Contents

Welcome

Welcome to the FDIC's Money Smart for Young Adults!

This is the instructor guide for **Module 1: Bank On It**.

Module Purpose

This module helps participants build positive relationships with financial institutions. 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 individual needs and preferences
- Describe the benefits of savings and checking accounts
- List the steps to open an account with a federally insured financial institution and documentation requirements
- Explain how banking history reports relate to opening checking and savings accounts
- Explain how to obtain a copy of your banking history report and dispute incorrect information
- Identify options for opening an account
- Explain how to manage checking and savings accounts
- Identify the parts of a check
- Track transactions in a register or a mobile app
- Explain how ATM cards, debit cards, some mobile apps, and person-to-person transfers work
- Explain how a prepaid card works

Module at a Glance

We estimate you will need four hours to cover the entire module, not including breaks. You can cover all the sections or select sections based on the time you have available and the needs of participants.

SECTION	SUBSECTIONS AND ACTIVITIES	ESTIMATED TIME (MINUTES)
Module Opening	■ Welcome Participants as They Arrive ■ Pre-Training Survey (Optional) ■ Parking Lot and Participant Guide	**10**
Section 1: Financial Products, Services, and Providers	■ Financial Institutions: Banks and Credit Unions ■ Products and Services Available at Financial Institutions ■ Other Financial Service Providers ■ Try It: What Do You Need to Manage Your Money? ■ Apply It: My Financial Management Needs ■ Apply It: My Banking Checklist	**65**
Section 2: Opening an Account	■ Savings and Checking Accounts ■ Apply It: My Checklist for Opening a Savings or Checking Account ■ Banking History Reports ■ Apply It: Getting My Banking History Reports ■ Apply It: Filing a Dispute on My Banking History Report ■ Apply It: My Options for Opening an Account Despite Challenges	**30**
Section 3: Managing an Account	■ Using a Savings Account ■ Apply It: Managing My Savings Account ■ Using a Checking Account ■ Try It: Learning the Parts of a Check ■ Apply It: Managing My Checking Account ■ Try It: Using a Transaction Register ■ Try It: Using a Mobile App ■ Automated Teller Machine (ATM) Cards ■ Debit Cards ■ Person-to-Person (P2P) Payments ■ Mobile Wallet Apps	**75**

SECTION	SUBSECTIONS AND ACTIVITIES	ESTIMATED TIME (MINUTES)
Section 4: Prepaid Cards	■ How Prepaid Cards Work ■ Try It: Features of Most Reloadable Prepaid Cards ■ Try It: What Fees Are Common to Reloadable Prepaid Cards? ■ Try It: A Prepaid Card or a Bank Account? ■ Tips for Using Prepaid Cards	**40**
Module Closing	■ Remember the Key Takeaways ■ Take Action ■ Post-Training Survey (Optional)	**10**

The FDIC created Real-Life Money Situations for Young Adults to strengthen the financial knowledge, skills, and self-efficacy of young adults ages 16 to 24. The five scenarios can be used with the Money Smart for Young Adults financial education curriculum, with other financial education curricula, or as stand-alone activities. Each scenario features a young adult facing realistic financial decisions. Young adults reflect on the scenarios and consider how they might respond in similar situations. The scenario titled Makayla Starts a Job features financial decisions that relate to the content of this module. Search fdic.gov for Real-Life Money Situations for Young Adults.

Module Opening

Time estimate for this section: 10 minutes

Welcome Participants as They Arrive

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 that any requested reasonable accommodations are in place and make any necessary adjustments

Pre-Training Survey (Optional)

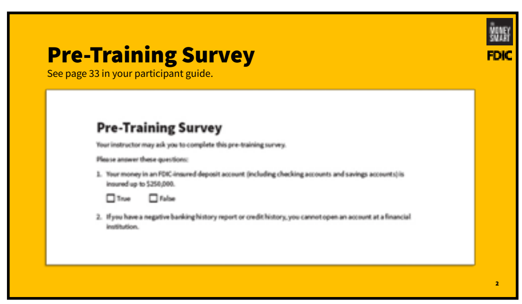
See page 33 in the participant guide.

Note to Instructor: Before training starts, you can ask participants to complete the pre-training survey in the back of the participant guide. Give participants copies of the survey so they do not have to tear pages out of their guides. The questions are repeated in the post-training survey.

The answer key is at the end of this instructor guide, but do not share the answers now.

Using the pre- and post-training surveys allows you to estimate knowledge gains and get other feedback on the training. You may decide to compare pre-training surveys to post-training surveys to estimate knowledge gains of the entire group or for individual participants. To estimate by participant, ask them to write their name or some other unique identifier on both their pre- and their post-training surveys.

SHOW SLIDE 2



SAY

- Thank you for coming to this Money Smart training on "Bank On It."
- Please complete the pre-training survey on page 36 of your participant guide.
- It should take less than five minutes to complete.

DO

- Collect the completed surveys.

Parking Lot and Participant Guide

SAY

- I will use a parking lot to capture questions, ideas, and other thoughts. We can add items anytime during the training. Time permitting, I will address them during breaks or at the end of training.
- You have a participant guide. You can write in it. It is yours to keep.

SECTION 1

Financial Products, Services, and Providers

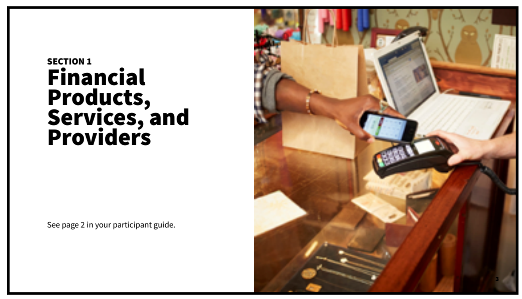
Time estimate for this section: 65 minutes

See page 2 in the participant guide.

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 individual needs and preferences

SHOW SLIDE 3



SAY

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

SHOW SLIDE 4

SAY

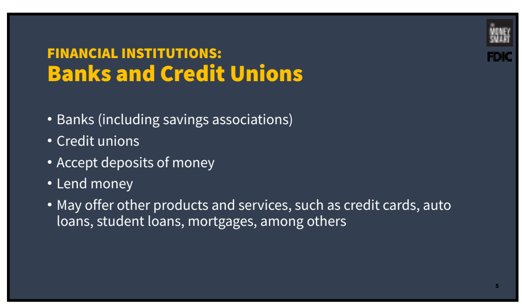
- The key takeaway for this section is: Consider your needs before you select financial products and services.

Financial Institutions: Banks and Credit Unions

Present information (5 minutes)

See page 5 in the participant guide.

SHOW SLIDE 5

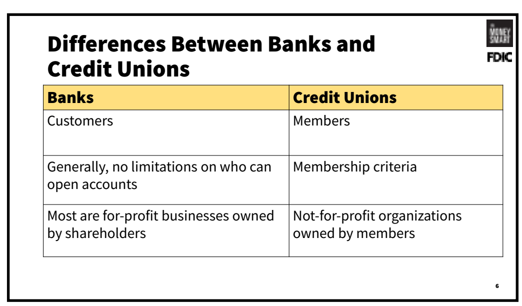


SAY

- Banks, savings associations, and credit unions offer a wide range of products and services to help you manage your money.

- For convenience, when we say “bank” in this training, we mean both banks and savings associations. Also, the term “financial institution” sometimes includes a wide variety of companies, including investment and insurance companies. But in this training, when we use the term “financial institution,” we mean just banks, savings associations, and credit unions. We will use the term “non-bank company” to describe companies that provide financial services but are not banks, savings associations, or credit unions.
- Financial institutions accept deposits and loan money. They also offer checking accounts and savings accounts. They may also offer credit cards, mortgages, and other products and services.
  - These accounts and services often pay or charge interest. Interest refers to two concepts. First, a financial institution may pay you interest for keeping your money with it – for example, in a savings or certificate of deposit (CD) account. Second, a lender generally charges interest when you borrow money.
- 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 and certificates of deposit generally pay interest. Checking accounts may pay interest.
  - If the account pays interest, the more money you deposit and the longer you keep it there, the more interest you will earn.
  - There may also be fees associated with these deposit accounts, such as maintenance fees.
- People borrow money from financial institutions. This means the financial institution lends money.
  - Credit cards, auto loans, student loans, and home mortgages are examples of how financial institutions lend money.
  - You usually pay interest when you borrow money, which is the amount a lender charges a borrower for borrowing the money. When borrowing money, in addition to interest, you may also pay other fees such as an application fee, origination fee, or a late payment fee, among others.
  - 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. For example, a financial institution may pay you 30 cents in interest on the $100 you have in your savings account but might charge $3 in interest for a $100 loan. The $2.70 difference pays overhead costs. For banks, any surplus is profit. As nonprofits, credit unions often reinvest surplus funds into their operations in ways that benefit their members.

SHOW SLIDE 6


Differences Between Banks and Credit Unions

Banks	Credit Unions
Customers	Members
Generally, no limitations on who can open accounts	Membership criteria
Most are for-profit businesses owned by shareholders	Not-for-profit organizations owned by members

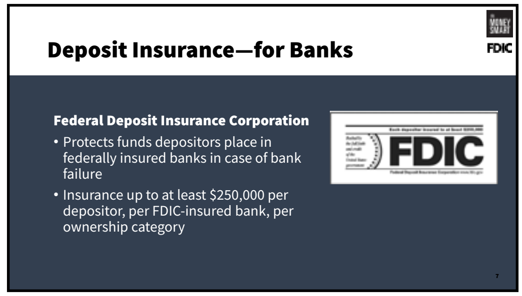
SAY

- Banks and credit unions are similar, but they have key differences.
- Banks have customers. Credit unions have members.
  - Banks generally have no limitations on who can open accounts.

- You must 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 associations to which you or your family belong.

- Most banks are owned by shareholders, which means they are for-profit businesses.
- Credit unions are not-for-profit organizations owned by their members.
- The products and services that financial institutions offer can differ. Most offer at least one checking and one savings account. Other products and services may vary, such as the option to access your account(s) on a mobile device or the availability of free ATMs (automated teller machines).
- Banks and credit unions are regulated and insured to keep your money safe.

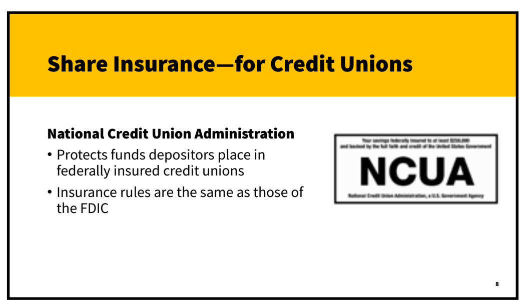
SHOW SLIDE 7



SAY

- The Federal Deposit Insurance Corporation, or FDIC, is an independent agency of the United States government. It protects the money that you deposit in FDIC-insured banks in the event that your bank fails.
- Since the FDIC was established in 1933, no depositor has lost a penny of FDIC-insured funds.
- FDIC insurance covers depositors' accounts at each insured bank, dollar-for-dollar, including principal and any accrued interest through the date of the insured bank's closing, up to the insurance limit (at least $250,000 per depositor).
- FDIC insurance covers all types of deposits received at an insured bank but does not cover investments, even if they were purchased at an insured bank, or items in a safe deposit box.
- All banks that are insured by the FDIC must have signage at their bank branches and disclosures on their websites and materials indicating that they are a FDIC-insured.
  - To verify that a financial institution is FDIC-insured, click on "Bank Find" at **https://www.fdic.gov/consumers** or contact the FDIC's toll-free Contact Center at 877-ASKFDIC (877-275-3342).
  - To learn more about deposit insurance, including which accounts are FDIC-insured, visit **https://www.fdic.gov/deposit**.

SHOW SLIDE 8

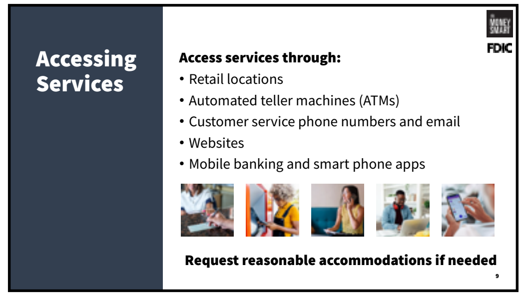


SAY

- The National Credit Union Administration (NCUA) insures deposits at credit unions up to at least $250,000 per individual depositor. NCUA insurance is called "share insurance."
- To verify that a credit union is NCUA-insured, go to https://mapping.ncua.gov or contact the NCUA toll-free at 1-800-755-1030.
- You can learn more about credit unions at https://www.mycreditunion.gov.

- NCUA insurance rules are the same as the FDIC. The NCUA insures at least $250,000 per depositor, per NCUA-insured credit union, per ownership category.

SHOW SLIDE 9



SAY

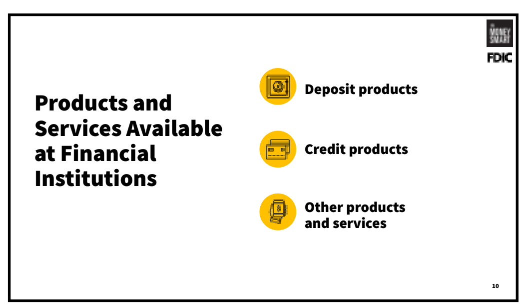
- Financial institutions may offer access to their services through:
  - Retail locations (also called branches).
    - » When you have an account with a bank or credit union with multiple branches, you can use any branch for banking needs.
  - Automated teller machines (or ATMs).
  - Customer service phone numbers and email.
  - Websites that offer online account access.
  - Mobile banking services including smart phone 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 (P2P) payments.
- Some financial institutions are mobile-only, meaning they do not have any retail locations, and you can access your account and customer service only through a computer, tablet, or phone.
- 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.
  - Have a sign language interpreter on-site.
  - Offer materials in audio and Braille formats.
  - Provide ATMs with accessibility features, such as voice instructions or Braille on the ATM keypad.
  - Provide captioned videos on websites and other features to enhance accessibility.

Products and Services Available at Financial Institutions

Present information (15 minutes)

See page 3 in the participant guide.

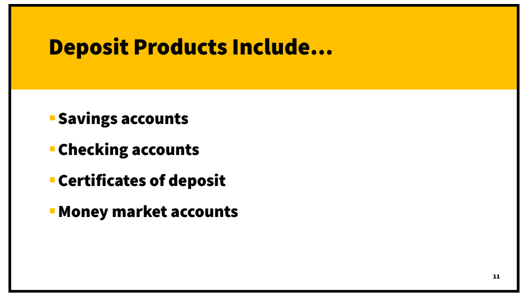
SHOW SLIDE 10



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.

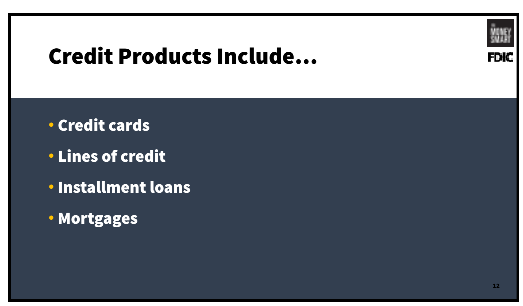
SHOW SLIDE 11



SAY

- Deposit products include savings accounts, checking accounts, certificates of deposit, and money market accounts.
- Direct deposit allows safe and secure electronic deposits of funds into checking and/or savings accounts.
- **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.
    - » There are generally limits on how often you can take money out of a savings account.
    - » There are generally no limits on how often you can deposit money into a savings account.
  - Money in a savings account sometimes earns interest.
- **A checking account is a transaction account.**
  - It is designed for frequent deposits and withdrawals.
  - People generally use checking accounts for paying bills and for withdrawing money for regular use.
  - Money in a checking account may earn interest.
- **A certificate of deposit (or CD) is used to set money aside for the future. It is not the same as a savings account.**
  - Money must be kept in a CD for the agreed upon period or you will likely have to pay a penalty or lose some of the interest earned. The required time periods vary in length – generally from three months to five years.
  - There may be a required minimum deposit to open a CD.
  - CDs typically offer a higher rate of interest than regular savings accounts.
- **A money market account may be available.**
  - 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.

SHOW SLIDE 12

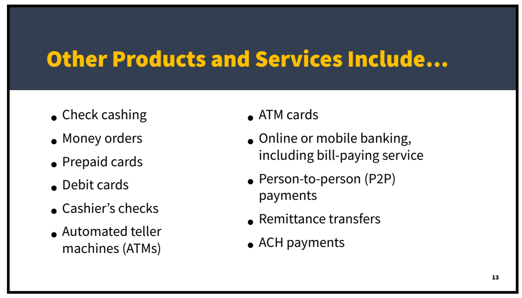


SAY

- 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 repeatedly up to your credit limit if you pay the minimum payment amount by the due date 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 several months or years.
  - Installment loans can finance consumer items, such as appliances, cars, trucks, education, or personal expenses.
- **Mortgages** are loans secured by your home, usually to purchase it, pay for home improvements, or refinance an existing mortgage.
  - Mortgages to purchase your house, or to borrow a fixed amount for home improvements or other purposes (known as home equity loans), are installment loans.
  - There are also lines of credit secured by your home (known as home equity lines of credit, or HELOCs).

SHOW SLIDE 13



SAY

- Other products and services help you manage your money, send money somewhere else, or pay bills, for example. Some banks and credit unions offer these services, and some other non-bank companies do as well.
- Let's talk briefly about some of these other products and services.

DO

- Starting with "check cashing," ask participants 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 rarely pay a fee to cash a check at a financial institution where you have an account. But if you cash a check at a store or at a financial institution where you do not have an account, you will likely pay a fee.
- **Money orders** – These are certificates that allow people you want to pay to receive cash on demand. You provide the amount of money you want to pay plus a fee to a bank, store, or the U.S. Postal Service. They then give you a piece of paper (the money order), which may look like a check, to give to the person or company you want to pay.
- **Prepaid cards** – You are spending money already deposited onto the card.
  - They generally are not linked to your checking or savings account. Instead, you (or someone else, such as your employer) load funds onto the card and you use those funds to make purchases or get cash. Each time you use the funds, the card's balance decreases by the amount you used.
  - Sometimes there are fees to use a prepaid card.
- **Debit cards** – Allow you to spend money 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 by the amount of any fees. Debit cards can be used at ATMs. They can also be used for online and point of purchase sales, such as at a store, restaurant, or gas station.

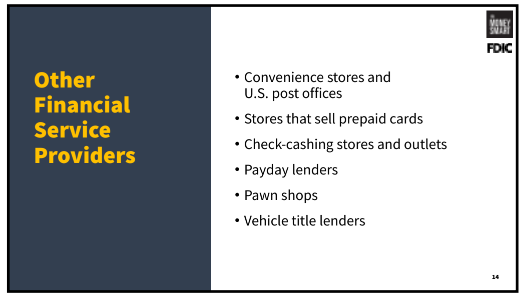
- **Cashier's checks** – Checks that are drawn against a financial institution's account, rather than yours. They are guaranteed by the financial institution that issues them.
- **Automated teller machines (ATMs)** – Enable you to perform a variety of banking transactions with your financial institution including deposits, loan payments, cash withdrawals, and transferring money between your accounts.
- **ATM cards** – Allow you to use an ATM for various account transactions. You might also make 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 account balance information to help reconcile your accounts. The services may include bill-paying services, which may also allow you to set up automatic payments from your account to pay bills. Some financial institutions alert you when you have a new bill from certain companies, such as utilities.
    - Many online and mobile banking tools allow you to deposit checks remotely. The financial institution's mobile app allows you to 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 for remotely depositing checks vary depending on the financial institution. Instructions are usually provided on the mobile app.
    - Save the physical check for at least 30 days, or until your financial institution confirms that your deposit has been accepted.
    - For questions about using a mobile app to deposit checks, ask a customer service representative at the financial institution.
- **Person-to-person (P2P) payments** – 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 other 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 move money to a person or business in another country. They may also be called "international wires," "international money transfers," or "remittances."
- **Automated Clearing House (ACH) payments** – This refers to electronic bank-to-bank payments that are made in the United States. Two common types of ACH payments are direct deposits and direct payments.

Other Financial Service Providers

Present information (5 minutes)

See page 4 in the participant guide.

SHOW SLIDE 14



SAY

- Businesses other than financial institutions also provide financial products and services.
  - Often they only extend credit or provide certain services, such as cashing checks.
  - They rarely 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.
  - Payday lenders that provide short-term loans.
  - Pawn shops that provide short-term loans.
  - Vehicle title lenders that provide short-term loans with a title to a car, truck, or motorcycle used as collateral.
- These businesses may offer benefits, 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.

Try It: What Do You Need to Manage Your Money?

Lead activity (15 minutes) – Scenario

See page 5 in the participant guide.

SHOW SLIDE 15

SAY

- Consider your needs before you select financial products and services.
- Your financial management needs may include having cash on hand to buy things you need, building credit, saving money, or paying bills.
- Before we look at your financial or money management needs, we will look at a scenario and identify products, services, and providers that may help Susannah.

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.

Scenario: Susannah Considers What She Needs to Manage Her Money

Susannah is 21 years old. She 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. She also wants to build emergency savings.

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

DO

- Give participants five minutes in small groups to answer the questions.
- After five minutes, invite participants to share their answers before providing the answers that follow each question.

ASK

- What are Susannah’s financial management needs?

DO

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

ASK

- Which products or services do you think could help her address each of her needs? Where can she get each product or service?

DO

- Write participant responses on a flip chart or whiteboard.
- Add these ideas if not mentioned:
  - To improve credit, she may get a **credit-building loan** or **secured credit card**.

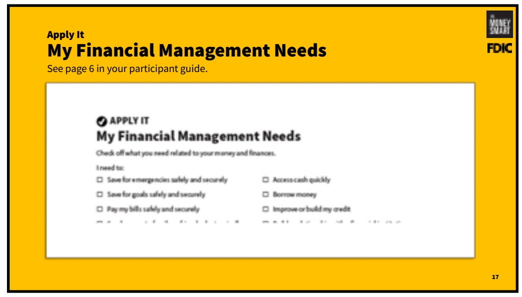
    - Credit-building loans are usually loans of $1,000 or less that are repaid through regular, scheduled payments for a specified period. The loans are secured by depositing money in a savings account or certificate of deposit with the lender. The amount required to keep on deposit is often equal to the loan amount.
    - A secured credit card works like a credit card, but usually starts with a low limit, like $400. You deposit money with the bank, typically the same amount as your credit limit. You must pay the minimum payment, and if you fail to do so, the bank will use part of your deposit to make your payment. Always find out all the terms of credit cards you consider, including any fees and penalties you could incur. This will help ensure that the card you select, and the way you use it, enhance your credit history.
    - With both credit-building loans and secured credit cards, make sure the bank will report your payments to one of the nationwide credit reporting agencies. A record of on-time payments can build and improve your credit. To improve your credit score, make payments by the due date, and keep credit card balances well below the card's credit limit.
    - Credit-building loans and secured credit cards are available from banks and credit unions.
- To save money for emergencies, she could open a **savings account** or a **money market** account.
    - Savings accounts and money market accounts are available from banks and credit unions.
- To save money for a car down payment, she could 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.
    - CDs and money market accounts are available from banks and credit unions.
- To pay bills, she could open a **checking account**. Ways to pay bills with that account may include writing checks, using her debit card, using automatic debit, or using online bill or mobile bill payment. She could also use **money orders** or a **reloadable prepaid card**.
    - Checking accounts are available from banks and credit unions. There may be fees associated with the checking account such as a monthly maintenance fee, overdraft fees, or non-sufficient funds fees that Susannah should be aware of.
    - Money orders are available from banks, credit unions, post offices, and convenience stores.
    - Reloadable prepaid cards are available from banks, credit unions, and retail stores. There may be fees associated with reloadable prepaid cards such as a monthly maintenance fee, transaction fee, or cash reload fees that she should be aware of.
- To borrow money for a car, she can apply for an **auto loan**.
    - Auto loans are available from banks, credit unions, and car dealers.

Apply It: My Financial Management Needs

Present information (10 minutes)

See page 6 in the participant guide.

SHOW SLIDE 17



SAY

- Turn to "Apply It: My Financial Management Needs" on page 6 in your participant guide.
- Take three minutes to complete this worksheet.

DO

- After three minutes, ask participants to share 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 can find 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 for emergencies safely and securely
- ☐ Save for goals safely and securely
- ☐ Pay my bills safely and securely
- ☐ Send money to family or friends electronically
- ☐ Access cash quickly
- ☐ Borrow money
- ☐ Improve or build my credit
- ☐ 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?

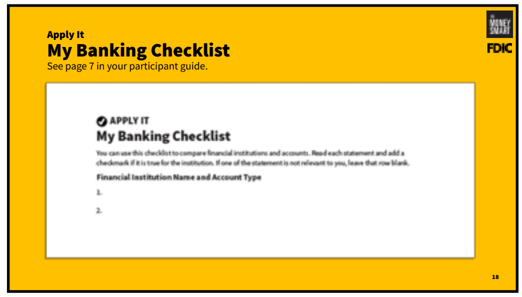
Where can you get the financial products or services you need?

Apply It: My Banking Checklist

Present information (15 minutes)

See page 7 in the participant guide.

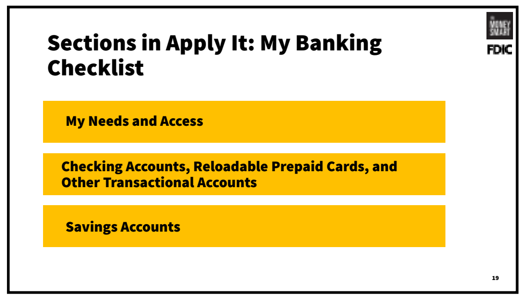
SHOW SLIDE 18



SAY

- Turn to “Apply It: My Banking Checklist” on page 7 in your participant guide.
- Now that you have thought about your needs and what financial institutions offer, consider where you will do your banking.
- Shopping around can pay off.
- Different financial institutions offer different options 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.

SHOW SLIDE 19



SAY

- There are three sections in the Banking Checklist. They help you compare products, services, and features of three financial institutions. The three sections are:
  - My Needs and Access
  - Checking Accounts, Reloadable Prepaid Cards, and Other Transactional Accounts
  - Savings Accounts
- With a partner, circle one question you think is the most important in each section of the checklist. You have 10 minutes.

DO

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

APPLY IT

My Banking Checklist

You can use this checklist to compare financial institutions and accounts. Read each statement and add a checkmark if it is true for the institution. If one of the statements is not relevant to you, leave that row blank.

Financial Institution Name and Account Type

1.

2.

3.

	Financial Institutions		
	1	2	3
My Needs and Access			
The institution is insured by the FDIC (for banks) or NCUA (for credit unions).			
The institution offers products and services I might need. (Consider checking and savings accounts, personal loans, prepaid cards, vehicle loans, mortgages, credit cards, money orders, and savings products.)			
The institution is convenient for me. (Consider customer service, options for accessing money when you need it, options for depositing checks and cash, and branch locations.)			
The institution would allow me to link my savings account to my checking account.			
This institution will allow me to send money to a person or business in another country (sometimes called remittance transfers).			
Checking Accounts, Reloadable Prepaid Cards, and Other Transactional Accounts If you are considering opening a checking account, reloadable prepaid card, or other transactional account, fill out this section to compare account options.			
My money would earn interest. If you know the annual percentage yields, note them in the table.			
The account's minimum opening deposit or minimum monthly balance amounts work for me.			
The account has an online or mobile bill pay feature.			
The account would allow me to set up alerts, such as for a low balance, or when there is an account transaction.			
The account would let me access a debit card or an ATM card.			
The account has rebates, bonuses, or rewards associated with using a debit card.			
There are monthly fees associated with this account that I might have to pay. If you know the fees, note them in the table.			

	Financial Institutions		
	1	2	3
Savings Account If you are considering opening a savings account, fill out this section to compare account options.			
My money would earn interest. If you know the annual percentage yields, add it to the table.			
The account's minimum opening deposit or minimum monthly balance amounts work for me.			
The account would let me transfer money to another account at the same institution (for example, a checking account).			
The account would allow me to set up alerts, such as for a low balance, or when there is an account transaction.			
There are monthly fees associated with this account that I might have to pay. If you know the fees, note them in the table.			
Financial Institution Comparison Compare financial institutions and decide which one is the best fit.			
Total number of checkmarks Add up the number of checkmarks you've made for each financial institution. Circle the financial institution with the highest total. It may be the best fit.			
Other considerations Note other factors that you'd like to consider.			
Best fit for you Write a star in the column for the financial institution that is the best fit for you.			

SHOW SLIDE 20

SAY

- Remember the key takeaway: Consider your needs before you select financial products and services.

SECTION 2

Opening an Account

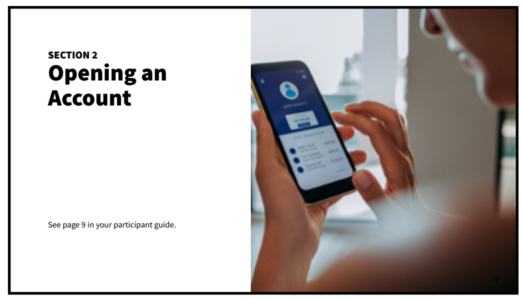
Time estimate for this section: 30 minutes

See page 9 in the participant guide.

Participants will be able to:

- Describe the benefits of savings and checking accounts
- List the steps to open an account with a federally insured financial institution and documentation requirements
- Explain how banking history reports relate to opening checking and savings accounts
- Explain how to obtain a copy of your banking history report and dispute incorrect information
- Identify options for opening an account

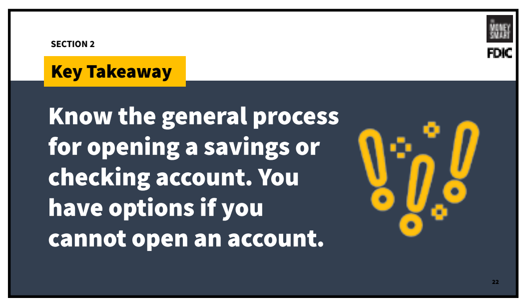
SHOW SLIDE 21



SAY

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

SHOW SLIDE 22



SAY

- The key takeaway for this section is: Know the general process for opening a savings or checking account. You have options if you cannot open an account.

Savings and Checking Accounts

Lead discussion (5 minutes)

See page 9 in the participant guide.

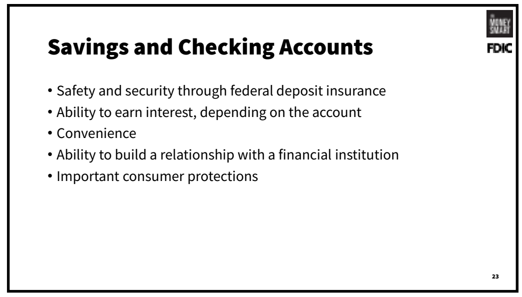
ASK

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

DO

- Write participant responses on a flip chart or whiteboard.

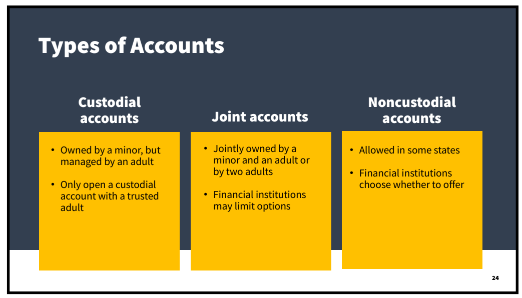
SHOW SLIDE 23



DO

- Add the following if not contributed:
  - **Safety and security** through federal deposit insurance
  - **Ability to earn 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 if unauthorized transactions occur from your account

SHOW SLIDE 24



SAY

- Minors can open **custodial accounts** and **joint accounts** with the help of an adult and may also be able to open **noncustodial accounts**.
  - A custodial account is owned by a minor, but managed by an adult. That adult is known as the custodian. Most states consider a person to be a minor until age 18.
    - These are sometimes called UTMA accounts, Uniform Transfers to Minors Act, a law that makes the accounts possible.
    - Generally, the minor cannot withdraw funds without the custodian's approval.
    - Minors with custodial accounts rarely have ATM cards, debit cards, or other ways to withdraw or spend money from the account on their own.
    - Only open a custodial account with a trusted adult. A custodian can use the account and incur fees that are the responsibility of the minor who owns the account.
  - A joint account is equally owned by two or more people. Minors can open accounts with an adult, often a parent or legal guardian.
    - Minors that have joint ownership of an account have full control of it. For example, they can make deposits and withdrawals independently. However, the adult joint owner of the account also has full control of it.
    - Only open a joint with a trusted adult. A joint account owner can use the account and incur fees that are also the responsibility of the minor who owns the account.
    - Individual financial institutions may limit options for joint accounts with joint owners who are minors. You may need to contact more than one financial institution to learn what joint account options are available to you.

- A noncustodial account is owned and managed by the minor. A minor with a noncustodial account can make deposits and withdrawals or spend money from the account on their own.
  - » Federal law does not prohibit minors from opening noncustodial bank accounts. If your state law allows financial institutions to open noncustodial accounts for minors, individual financial institutions may choose not to offer them. You may need to contact more than one financial institution to find one that does.

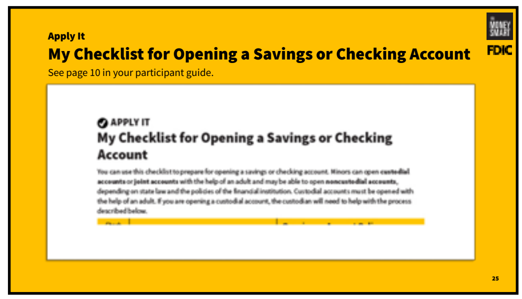
Note to Instructor: Before the training, you can research the law on minors opening bank accounts in your state. Visit the Conference of State Bank Supervisors' map and click on your state: **https://facts.csbs.org**.

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

Present information (10 minutes)

See page 10 in the participant guide.

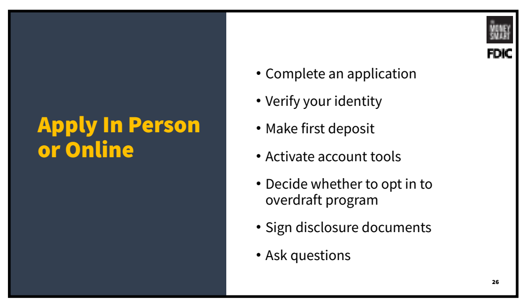
SHOW SLIDE 25



SAY

- Turn to "Apply It: My Checklist for Opening a Savings or Checking Account" on page 10 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 26



SAY

- Let's review the information from the Apply It together.
- Some people find the thought of opening an account intimidating and that's okay. The process is very straightforward once you know what you must provide.
- You can open an account at a financial institution by visiting one of its branches, or you may be able to do so using a computer or mobile device.
- We will talk about the account opening process. 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 usually asks for the following information:

- Your full name, and possibly any other names you 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 is accepted.
- Your Social Security number. If you are not eligible to have one (generally because you are not a U.S. citizen), you could provide certain other numbers such as your Individual Taxpayer Identification Number (ITIN) or foreign passport number.

■ The application may require other information, such as your phone number and email address if you have one.

■ **You will need to verify your identity.** Showing necessary identification helps banks comply with federal law. Ask what type of identification you need to provide because the requirements can vary.

- If you open the account at a branch, you usually need 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 prove you live where you say you do.
- If you open an account online, you may have to answer several "challenge questions" to 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 which street you have lived on before.
  - » If you cannot answer the questions accurately, the website will indicate what to do next.

■ **You will need money to make your first deposit.**

- The amount required varies.
- If you open 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 open an account online, you may be able to electronically sign the documents.

■ **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 tools, ask for help from a customer service representative.
- Online or mobile banking provides many advantages:
  - » 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 Wi-Fi connections, strong passwords, and using only reputable sites or apps when using online or mobile banking.

- Generally, public Wi-Fi connections are not secure.

  » If you do not understand something, ask questions.

■ **If you open a checking account, you will likely be asked to opt in to a program to handle overdrafts** caused by ATM and point-of-sale transactions if your balance falls below zero. We will talk more about this later in the training.

- ”Point of sale,” sometimes called “point of purchase” means the place where you pay for a purchase. For example, a cash register at a retail store or a gas station pump.

■ **You will receive paper or electronic disclosures**. Disclosures explain key facts about the account. Ask for help if you do not understand something in the information. If you need the disclosures in paper as a reasonable accommodation, request it.

Banking History Reports

Present information (5 minutes)

See page 11 in the participant guide.

SHOW SLIDE 27

SAY

■ The process we just discussed assumes the applicant is approved for the account.

■ However, not everyone is approved.

■ Some consumer reporting companies, for example, ChexSystems and Early Warning, track negative information relating to how consumers use deposit accounts.

■ These companies prepare reports often called 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 balances on accounts.**

  » This happens if checks are written for more money than is in the account (sometimes called writing bad checks or bouncing a check).

  » It also happens if the account owner doesn’t close the account after they stop using it, and fees are charged.

- **Suspected fraud related to accounts.**

- **Certain accounts closed by 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 on a report.
  - If your account application is declined based on information on a consumer report, the financial institution will tell you how to request a copy of the report it used.
  - You may file a dispute to correct errors on your report.

Apply It: Getting My Banking History Reports

Present information (1 minute)

See page 12 in the participant guide.

SHOW SLIDE 28

SAY

- Turn to “Apply It: Getting My Banking History Reports” on page 12 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 likely do not have a banking history report if there is no negative information on file.

Apply It: Filing a Dispute on My Banking History Report

Present information (2 minutes)

See page 13 in the participant guide.

SHOW SLIDE 29

SAY

- Turn to “Apply It: Filing a Dispute on My Banking History Report” on page 13 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 are disputing.
- Step three is to recheck your banking history report to make sure the error was corrected and stays corrected.

Apply It: My Options for Opening an Account Despite Challenges

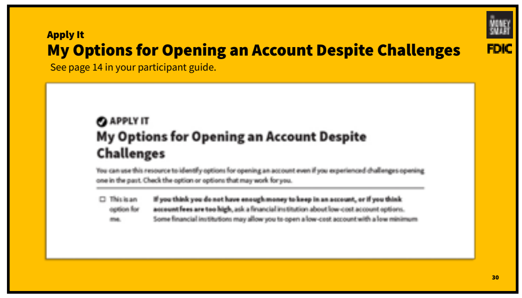
Present information (7 minutes)

See page 14 in the participant guide.

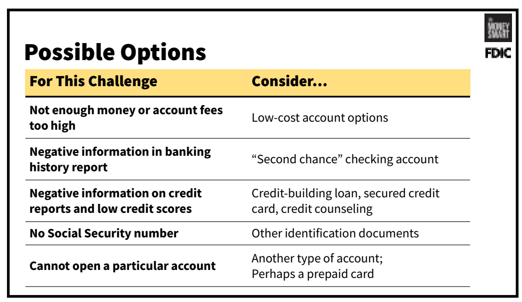
SHOW SLIDE 30

SAY

- Turn to “Apply It: My Options for Opening an Account Despite Challenges” on page 14 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 have experienced challenges opening one in the past.



SHOW SLIDE 31



SAY

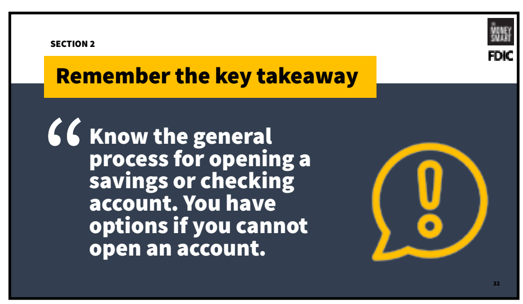
- **If you think you do not have enough money to keep in an account, or if you think account fees are too high, ask a financial institution about low-cost account options.**
  - Many banking options do not include costly fees.
    - » Some financial institutions offer low-cost accounts with a low minimum opening balance, perhaps even $5.
    - » Some financial institutions offer “checkless” checking accounts that cannot be overdrawn, so there are no overdraft charges.
    - » Learn more at **https://www.fdic.gov/getbanked**.
  - 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.
    - » Understand how 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 on 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.
  - With both credit-building loans and secured credit cards, make sure the bank will report your payments to one of the nationwide credit reporting agencies. A record of on-time payments can build and improve your credit. To improve your credit score, make payments by the due date, and keep credit card balances well below the card’s credit limit.
- **If you are not sure of the best way to improve your credit, seek help.**
  - Consult with a reputable credit counseling service. It can help you develop a customized plan to improve your credit. For suggestions on reputable counseling services, search “credit counseling” at **https://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 are not eligible to open a particular type of account, ask if there are account types for which you are eligible. You may also 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.

SHOW SLIDE 32

SAY

- Remember the key takeaway: Know the general process for opening a savings or checking account. You have options if you cannot open a traditional account.



SECTION 3

Managing an Account

Time estimate for this section: 75 minutes

See page 16 in the participant guide.

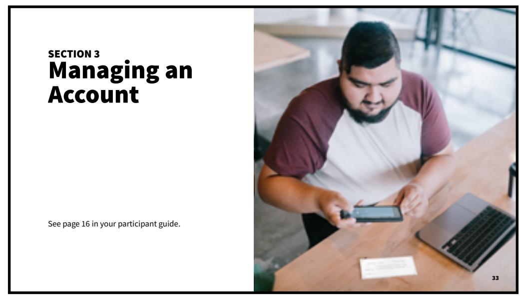
Participants will be able to:

- Explain how to manage checking and savings accounts
- Identify the parts of a check
- Track transactions in a register or a mobile app
- Explain how ATM cards, debit cards, some mobile apps, and person-to-person transfers work

SHOW SLIDE 33

SAY

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



SHOW SLIDE 34

SAY

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

Using a Savings Account

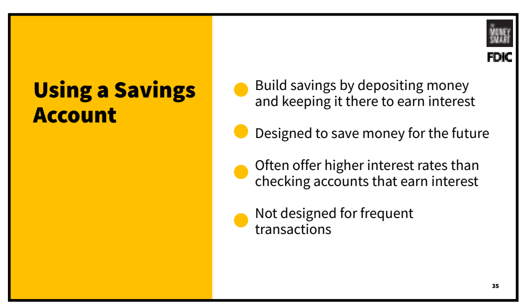
Present information (5 minutes)

See page 16 in the participant guide.

SHOW SLIDE 35

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.
  - » Through direct deposit.
  - » By transferring money from another account.
  - » At an automated teller machine (ATM).
  - » Online.
  - » Through a mobile app.
- Your options to withdraw money may include:
  - » In person.
  - » A money transfer to another account.
  - » 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 for frequent withdrawals.
  - » Financial institutions generally charge a fee for exceeding a certain number of transactions within a month, or may not allow any transactions over the limit.
  - » If you want to use an account for paying bills and making purchases, a checking account is likely a better choice.

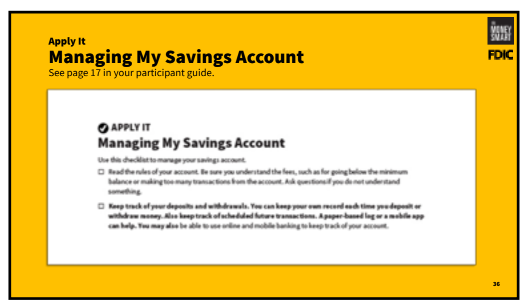
▪ Many people have both a savings and a checking account, which often can be linked to make it easy to transfer funds between the two.

Apply It: Managing My Savings Account

Present information (5 minutes)

See page 17 in the participant guide.

SHOW SLIDE 36



SAY

▪ Turn to “Apply It: Managing My Savings Account” on page 17 in your participant guide.

▪ Let’s review 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.

SHOW SLIDE 37

SAY

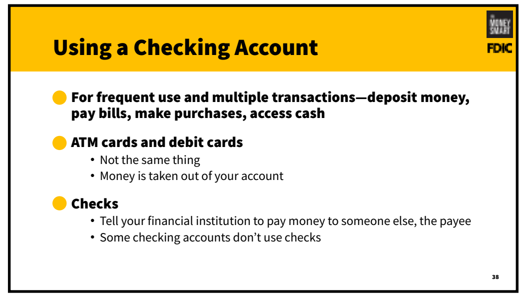
- There are several ways to manage a savings account.
- **Read the rules of your account.**
  - Be sure you understand the fees, such as for going below the minimum balance or making too many transactions from the account.
  - Ask questions if you do not understand something.
- **Keep track of your deposits and withdrawals.**
  - You can keep your own record each time you deposit or withdraw money.
  - Also, keep track of scheduled future transactions, such as automatic deposits or automatic withdrawals.
  - A paper-based log or mobile device app 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 also offer account 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, there is a transaction over a certain amount, or a transaction is made outside 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 **https://onguardonline.gov** to learn more about staying secure online.

Using a Checking Account

Present information (10 minutes)

See page 18 in the participant guide.

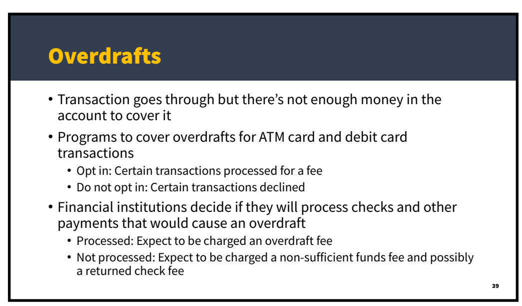
SHOW SLIDE 38



SAY

- There is generally more to keep track of when managing a checking account compared to a savings account.
- This is because checking accounts are designed for multiple transactions.
- People use checking accounts to deposit money, pay 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 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.
- If you seldom or never use checks, you may question why you might want or need a checking account.
  - Checking accounts can be useful because of the number and types of transactions you can make.
  - Savings accounts sometimes limit transactions, such as the number of withdrawals you can make per month. In contrast, checking accounts are designed to let you make frequent transactions.
  - As we discussed, checking accounts can offer more than just checks. For some accountholders, the debit card, ATM card, online banking services, and other features are more important than paper checks.
  - In fact, some checking accounts do not use paper checks. They may be called "checkless accounts."
- Even if you do not use checks often, you may need to know how they work in the future.

SHOW SLIDE 39



SAY

- 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.
- 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 amount.

■ Financial institutions offer programs to cover overdrafts for ATM and debit card purchases.

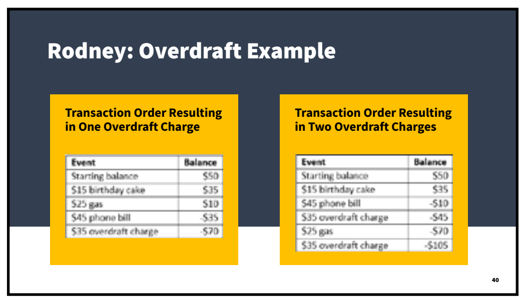
- Under federal rules, you choose whether to "opt in" to a program for overdrafts caused by ATM card and debit card transactions. Consider this option carefully.
- **If you opt in to the overdraft program**, the bank may honor an ATM or debit card transaction that is more than your account balance. Expect to be charged a fee to process each transaction. That could cause 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. The financial institution will not charge you a fee if the transaction is declined.

■ For checks and other types of payments, such as automated bill payments, your financial institution chooses how to handle a check or other transaction that exceeds your balance.

- If the financial institution processes the transaction, expect it to charge you an overdraft fee.
- If the financial institution decides not to process 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 vary, but fees of $30 or more are common.

■ The table on page 18 in your participant guide summarizes overdrafts and fees.

SHOW SLIDE 40

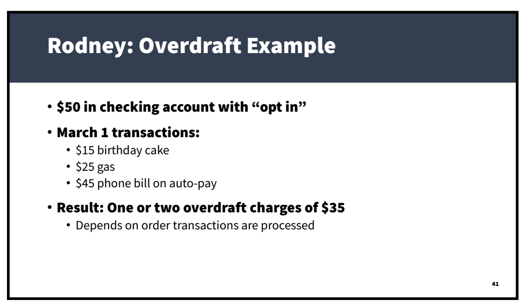


SAY

■ Let's consider an example: Rodney has $50 in his checking account. He 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 he authorized the phone company to auto-pay his phone bill on the first of every month. That bill is $45.

SHOW SLIDE 41



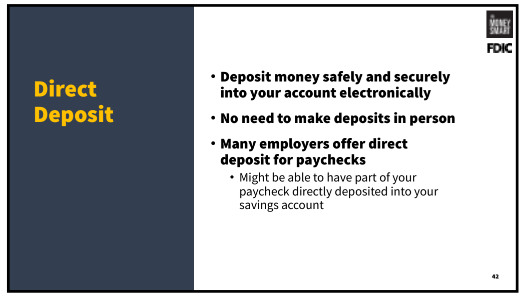
- Depending on the order in which Rodney's financial institution processes these three charges, one or two will cause an overdraft.
  - » If the birthday cake and gas purchases are processed first, the phone bill will cause an overdraft resulting in a $35 fee.

» If the phone bill is processed first or second, there will be two overdraft fees of $35, for $70.

» Rodney must pay these fees in addition to paying back his financial institution for the $35 in purchases that were not covered by the funds in his account.

- 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.

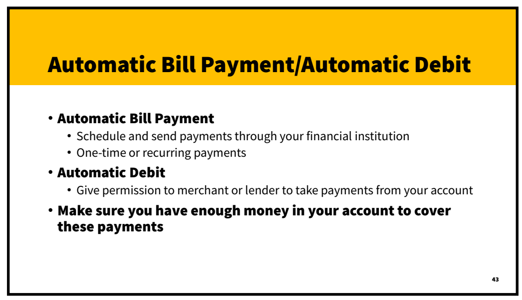
SHOW SLIDE 42



SAY

- There are other features associated with checking accounts to consider: direct deposit, automatic bill payment, and automatic debit.
- **Direct deposit** allows safe and secure electronic deposits of money into your account at a financial institution.
  - 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 automatically send a certain amount from each paycheck to your savings account.

SHOW SLIDE 43



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, monthly, or something else.
- You can also set up an **automatic debit**.
  - This option lets you grant permission to a company, such as a merchant or lender, to debit your account for agreed upon payment amounts one time or on a recurring basis.
  - If you would like to stop a lender or merchant from debiting your account, contact them to revoke authorization. This may take some time.
  - If you are unable to revoke the authorization with the lender or merchant or they have continued to debit your account without your permission, you could ask your financial institution to issue a "stop payment."
    » A stop payment is a request for a financial institution to stop a check or recurring debit payment that's waiting to be processed. You will usually be charged 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 made.

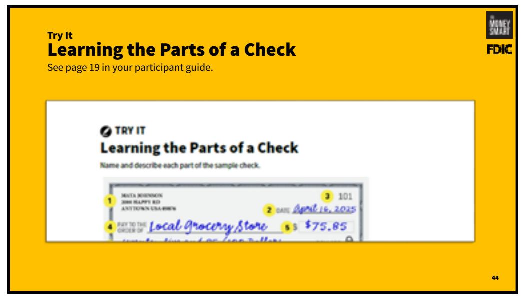
- Make a list of all your payments. Note which ones you set up as automatic bill payments or automatic debits and on what schedule.
- If you do not have enough money in your account to cover the payments when processed, you will pay overdraft fees if you have coverage. Otherwise, your payments will be declined, which could cause late payments and subject you to Non-Sufficient Fund (NSF) fees.

Try It: Learning the Parts of a Check

Lead activity (10 minutes) – Exercise

See page 19 in the participant guide.

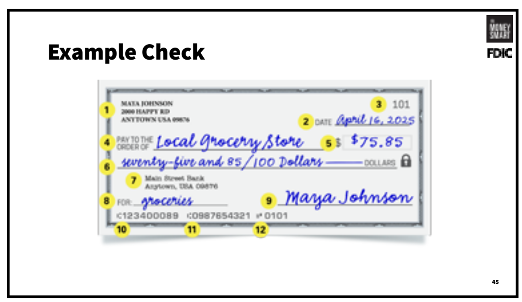
SHOW SLIDE 44



SAY

- Turn to “Try It: Learning the Parts of a Check” on page 19 in your participant guide.
- Some people prefer or need to write checks while others do not.
- 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 on them.

SHOW SLIDE 45



SAY

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

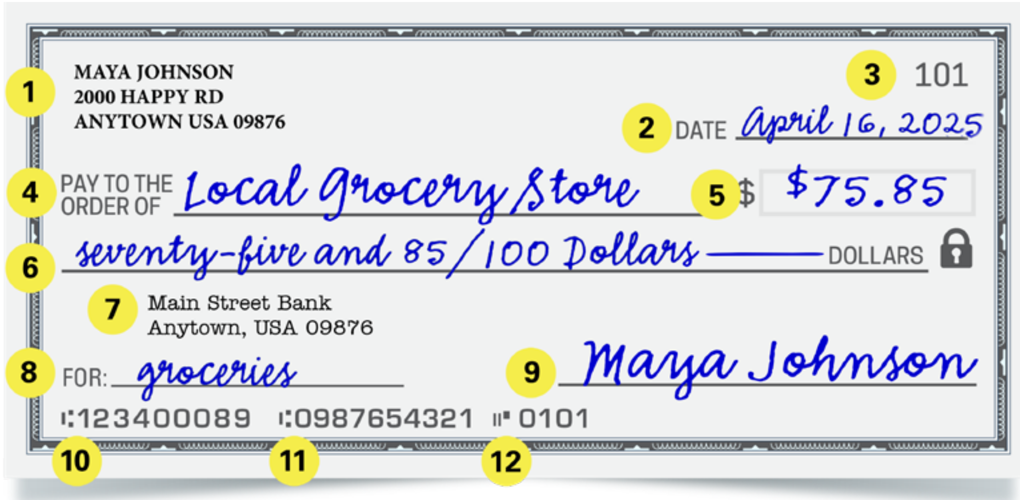
ASK

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

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 answers.

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



1.	**Name/Address.** Name and address of the account owner. If this were your account, your name would be here.
2.	**Date.** The date the check was written.
3.	**Check number.** Checks come in series.
4.	**Pay to the Order of.** The payee, the party, either person or business, that can legally cash the check.
5.	**Amount box**. The check amount in numeric form.
6.	**Amount line.** The check amount written in words. Always draw a line from the words to the end of the line to mitigate tampering. If the amount of the numeric check amount does not match the written amount, financial institutions generally use the written amount.
7.	**Financial institution information.** The financial institution's name and address.
8.	**Memo line.** The FOR line may also be called the MEMO line. Information written on this line is not used by the financial institutions, but for you and/or the payee. For example, you may write your utility company account number on a check for a utility bill.
9.	**Signature.** Your signature (or in this example, Maya's signature).
10.	**Bank routing number.** This identifies the financial institution that issued the check. You need this number to set up direct deposits and automated payments.
11.	**Your account number.** This is unique to your account. It 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.** If this number is included on the check, it will be the same as item #3.

Apply It: Managing My Checking Account

Present information (10 minutes)

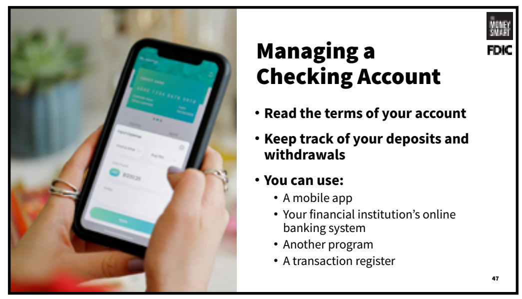
See page 20 in the participant guide.

SHOW SLIDE 46

SAY

- Turn to “Apply It: Managing My Checking Account” on page 20 in your participant guide.
- Let’s review 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.**

SHOW SLIDE 47



SAY

- These strategies help you manage your checking account. Many of these items are the same as in the checklist for a savings account.
- **Read the terms of your account.**
  - Be sure you understand the fees, including how you can avoid them.
  - Fees may be charged for going below a minimum balance, overdrafts, and ordering new checks.
- **Keep track of your deposits and withdrawals.**
  - If your account provides online 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 do not show up online or in the mobile app immediately, or they may show as “pending.” They might not be reflected in your balance. For example, the tip you add to a restaurant bill paid with a debit card may not post online or be subtracted from your account for several days even though the meal charge has been 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 made.
  - You can also keep your own record each time you deposit or withdrawal money. You may receive a small booklet called a transaction register or check register to help you track transactions.
    - » If you use the transaction register, record all deposits, withdrawals, checks, and transfers.

SHOW SLIDE 48

- **Review your account statements.**
  - Make sure you recognize each deposit or withdrawal on your statements and inform 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 as a test to see if they will go through without being flagged. 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 to pay 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.
  - The hold temporarily reduces the money available in your account until it 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 receive alerts via email or text for a wide range of events even if you rarely 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 run out of funds in your checking account. Be sure to check whether there are fees associated with transferring money between accounts.
  - 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.

- **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. Locking your card prevents 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.

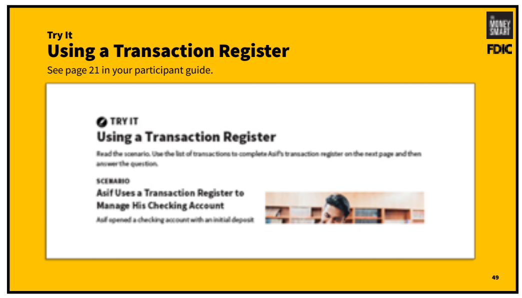
- **Stay safe online.**
  - The online safety measures we discussed for savings accounts also apply to checking accounts.

Try It: Using a Transaction Register

Lead activity (15 minutes) – Scenario

See page 21 in the participant guide.

SHOW SLIDE 49



DO

- Ask participants to turn to “Try It: Using a Transaction Register” on page 21 in their participant guide.
- Read the scenario to participants or ask for a volunteer to do so.

Scenario: Asif Uses a Transaction Register to Manage His Checking Account

Asif opened a checking account with an initial deposit of $300.00. He keeps track of his transactions and checking account fees 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.

Asif also plans to use his bank’s mobile app to review his transactions.

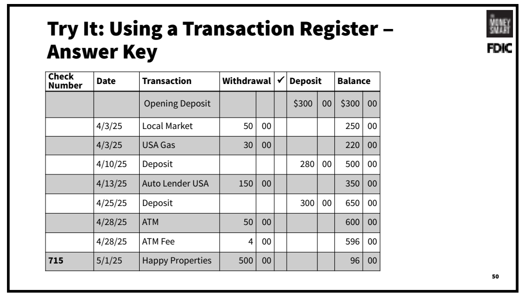
Here are Asif’s transactions:

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

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 50



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	
		Opening Deposit				$300	00	$300	00
	4/03/25	Local Market	50	00				250	00
	4/03/25	USA Gas	30	00				220	00
	4/10/25	Deposit				280	00	500	00
	4/13/25	Auto Lender USA	150	00				350	00
	4/25/25	Deposit				300	00	650	00
	4/28/25	ATM	50	00				600	00
	4/28/25	ATM Fee	4	00				596	00
715	5/01/25	Happy Properties	500	00				96	00

What is Asif's ending balance?
Answer: $96.00

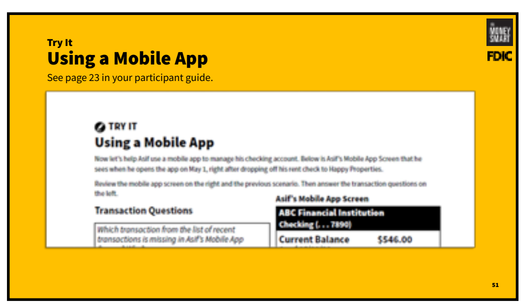
Try It: Using a Mobile App

Lead activity (5 minutes) – Scenario

See page 23 in the participant guide.

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 there is a double-entry for the $50.00 transaction on April 3, 2025.

SHOW SLIDE 51



SAY

- Turn to "Try It: Using a Mobile App" on page 23 in your participant guide.
- Now let's help Asif use a mobile app to 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.

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 either not yet deposited the check into its own bank account, or they have deposited it, but the money has not 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. If the merchant is not helpful or will not correct the double charge, Asif should contact his financial institution as soon as possible.

Asif's Mobile App Screen

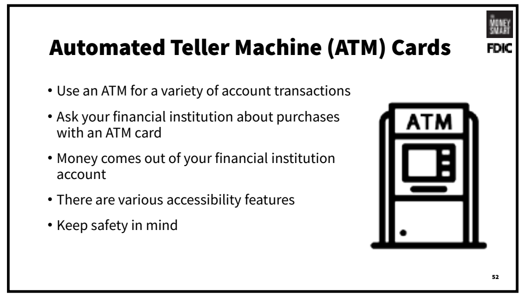
ABC Financial Institution Checking (. . . 7890)	
Current Balance As of 05/01/25	**$546.00**
0987 AXC Local Market	
Date	Apr. 3, 2025
Debit/Credit	-$50.00
0987 AXC Local Market	
Date	Apr. 3, 2025
Debit/Credit	-$50.00
1234 XYZ USA Gas	
Date	Apr. 3, 2025
Debit/Credit	-$30.00
Deposit Check 01928	
Date	Apr. 10, 2025
Debit/Credit	+$280.00
EPay 123455678	
Date	Apr. 13, 2025
Debit/Credit	-$150.00
Deposit Check 01957	
Date	Apr. 25, 2025
Debit/Credit	+$300.00
ATM Withdrawal – Network Systems 1983095	
Date	Apr. 28, 2025
Debit/Credit	-$50.00
ATM Withdrawal – Network Systems 1983096	
Date	Apr. 28, 2025
Debit/Credit	-$4.00

Automated Teller Machine (ATM) Cards

Present information (5 minutes)

See page 24 in the participant guide.

SHOW SLIDE 52



SAY

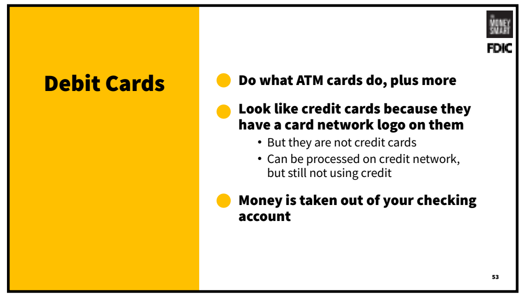
- You may receive an automated teller machine or ATM card or a debit card from your financial institution. Let's talk about ATM cards first.
- ATM cards allow you to use an ATM for various account transactions. The money you withdraw comes out of your financial institution account.
- Ask your financial institution if you can use your ATM card to make purchases.
- When you use your ATM card, you will be prompted to type in your personal identification number or PIN. Do not share 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 cash or checks into your account.
  - Transfer funds between accounts.
  - Make payments, such as a payment on a credit card you have through your financial institution.
- When you use an ATM not affiliated with your financial institution, you will likely 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 which features you need in an ATM to your financial institution to learn how it can meet those needs.
- Remember safety.
  - Thieves sometimes target ATMs. If anything about an ATM looks suspicious, avoid using it.
  - Contact your financial institution immediately if you lose your ATM card, you are worried others know your PIN, or you have other concerns related to your ATM card.

Debit Cards

Present information (4 minutes)

See page 24 in the participant guide.

SHOW SLIDE 53



SAY

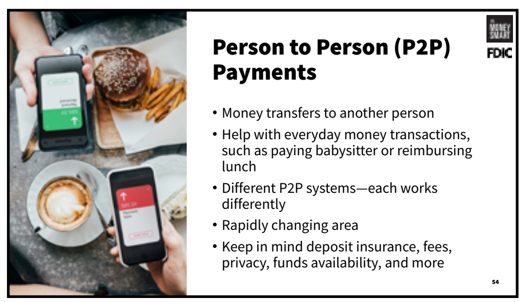
- We've talked about debit cards already. A debit card can be used for everything an ATM card can be used for; plus it can be used to make purchases.
- Debit cards look like credit cards because they have a card network logo, such as American Express, Discover, MasterCard, or VISA.
- However, they are 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.

Person-to-Person (P2P) Payments

Present information (5 minutes)

See page 25 in the participant guide.

SHOW SLIDE 54



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 or credit card accounts and initiate transfers of funds to other users of the same app or web-based service.
  - Using an app for P2P payments is one way to handle everyday money transactions, such as paying a babysitter or reimbursing a friend for lunch.
  - There are several P2P systems and they each 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.

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

- Keep these things in mind if you are using P2P apps or thinking about using them:
  - **Deposit Insurance.** Is the service offered through a federally insured financial institution? If you're interested in using P2P payments, ask your federally insured bank, savings association or credit union whether it offers the service. And if yours doesn't, try another federally insured financial institution.
    - » While several non-bank companies offer P2P payments, there can be benefits to working with a bank, savings association or credit union, 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.
  - **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.** Know the service's privacy practices and how your information and that of your recipients will be used.
    - » Federal law provides protections to consumers regarding how financial institutions share information about their consumers. If you use the service, set all privacy settings to your preferences. Some service providers may, for example, share 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 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 happens 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.
    - » Federal law specifies the rights, liabilities, and responsibilities of consumers when an error or dispute occurs, depending on whether it is an electronic funds transaction or a credit transaction. The law also specifies procedures a service provider must follow for investigating and resolving errors alleged by a consumer. If those protections do not apply, you should review the service provider's own policies and find out what the user agreement says will happen if an error occurs. Additionally, you can also look into state law protections that apply to money transfers.

Mobile Wallet Apps

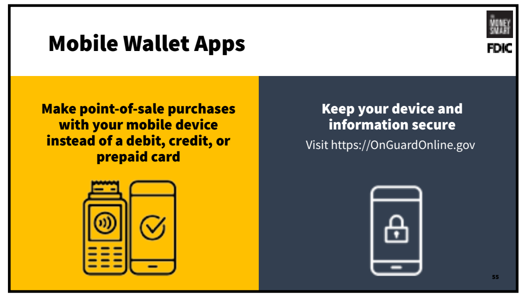
Present information (1 minute)

See page 25 in the participant guide.

SHOW SLIDE 55

SAY

- A mobile wallet is a type of mobile app that some people like to use along with a debit card.
  - 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 **https://onguardonline.gov** for tips to keep your mobile device secure.

SHOW SLIDE 56

SAY

- Remember the key takeaway: Learn the terms of your account and keep track of how you use it. This can help you develop a positive banking relationship.

SECTION 4

Prepaid Cards

Time estimate for this section: 40 minutes

See page 26 in the participant guide.

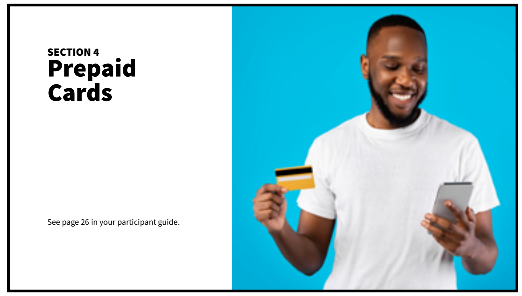
Participants will be able to:

- Explain how a prepaid card works

SHOW SLIDE 57

SAY

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



SHOW SLIDE 58

SAY

- The key takeaway for this section is: Before you use a prepaid card, know its features and fees.

How Prepaid Cards Work

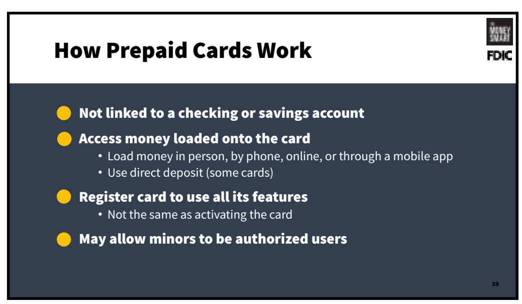
Present information (5 minutes)

See page 26 in the participant guide.

SHOW SLIDE 59

SAY

- A prepaid card is different from a debit card.
- A prepaid card is generally not linked to an account at a financial institution.
  - Instead, you are using money that is preloaded onto the card.
  - 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.
  - You may also receive payment or benefits from your employer or the government on a prepaid card.



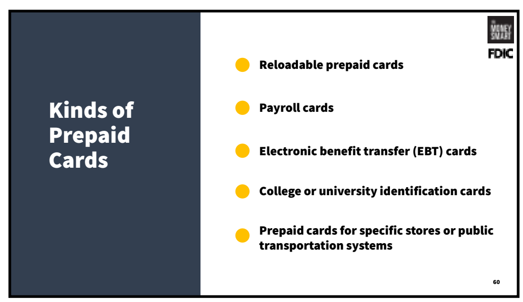
- Or, you may choose to buy a prepaid card as a gift instead of giving cash.
- You can usually load money onto a prepaid card in person, by phone, online, or through a mobile app.
  - » The money loaded onto the card can come from direct deposit of your pay or benefits, or from a bank account transfer 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 provided 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 find this a helpful 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 to register the card.
  - » You must provide personal information that includes your name and date of birth.

■ The terms of service for prepaid cards may require users to be 18 or older. However, minors may be added as authorized users to prepaid card accounts. Authorized users can use the prepaid card for transactions, including making purchases.

SHOW SLIDE 60



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 anywhere that brand is accepted. 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.
  - » Some cards start as non-reloadable, but can be reloaded after you register it.
- 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 be used only at certain locations.

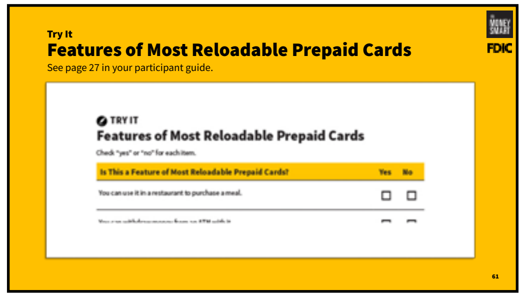
- For example, some prepaid cards can be used only at a specific store or on a certain public transportation system. These cards rarely have a network logo on them.

Try It: Features of Most Reloadable Prepaid Cards

Lead activity (10 minutes) – Exercise

See page 27 in the participant guide.

SHOW SLIDE 61



SAY

- Turn to "Try It: Features of Most Reloadable Prepaid Cards" on page 27 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 likely a 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 answers.

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

1. 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 accept prepaid cards.

2. You can withdraw money from an ATM with it.

   The answer is "yes," assuming there is enough money loaded onto the card for the transaction.

3. You can use it to build your credit.

   The answer is generally "no." You typically are not borrowing money with prepaid cards.

4. You can make a hotel reservation with it.

   The answer is "yes," assuming there is enough money loaded onto the card for the transaction. However, not all hotels accept prepaid cards for reservations.

5. You can buy groceries with it.

   The answer is "yes," assuming there is enough money loaded onto the card for the transaction.

6. You can load money on it only where the card was purchased.

The answer is "no." You can likely load money at other locations that sell the card, online, or through mobile apps.

7. You can have funds directly deposited onto it.

   The answer is "yes," for some reloadable prepaid cards.

8. You must have a good credit score to get it.

   The answer is "no."

9. You can build savings on it.

   The answer is "yes," for some reloadable prepaid cards.

10. 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 that are held at an insured depository institution.
    - The contractual agreements among the bank, the prepaid card provider, and the cardholder indicate that the individual cardholder is the owner 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 or if the non-bank card issuer fails or doesn't deposit the money at an insured depository institution.

11. You can borrow money with it.

    The answer is "no."

12. You can set up text or email alerts to monitor use of it.

    The answer is usually "yes."

13. You can view the card account history online if you register the account and activate the online features.

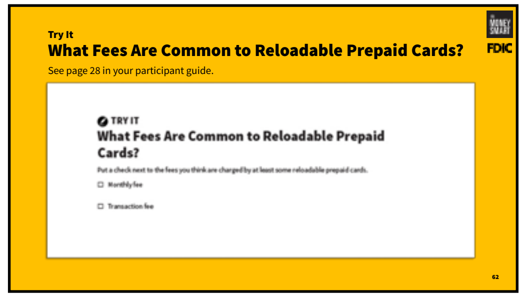
    The answer is "yes."

Try It: What Fees Are Common to Reloadable Prepaid Cards?

Lead activity (5 minutes) – Exercise

See page 28 in the participant guide.

SHOW SLIDE 62



SAY

- Turn to "Try It: What Fees Are Common to Reloadable Prepaid Cards?" on page 28 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 card's packaging.
  - You can also review the information on the provider's website.
- Not all cards have all fees, but let's look at some you may see as you shop for a prepaid card.
- Take two minutes to complete this exercise. Put a check next to the fees you think are charged by at least some reloadable prepaid cards.

DO

- After two minutes, tell participants that 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 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 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 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 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.** A fee your card provider may charge when you pay your bills online through their website, on their mobile app, or over the phone.
- **ATM withdrawal fee.** A fee you may pay to withdraw money at an ATM not free for you to use.

- **Balance inquiry fee.** A fee you may be charged if you check your prepaid card balance at an ATM, or if you call customer service to ask 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.** A fee some prepaid card providers may require you to pay to get an extra card for an authorized user. Think carefully about adding an authorized user since they will be able to spend any money that is loaded on the card.
- **Inactivity fee.** A fee charged if you don't use your card for a period of time. The time that triggers an inactivity fee varies.
- **Lost or stolen card replacement fee.** A fee to your prepaid card provider may charge to replace your card if it is lost, stolen, or damaged.
- **Fee for canceling the card.** A fee to cancel a prepaid 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 card balance.

Try It: A Prepaid Card or a Bank Account?

Lead activity (15 minutes) – Scenario

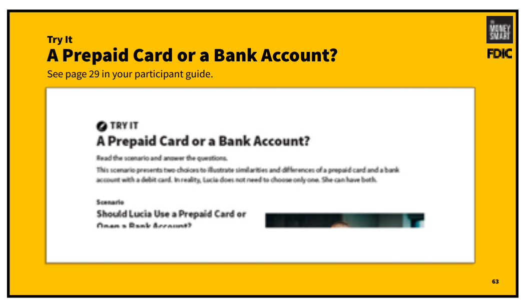
See page 29 in the participant guide.

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

SHOW SLIDE 63

DO

- Ask participants to turn to "Try It: A Prepaid Card or a Bank Account?" on page 29 in your participant guide.
- Read the scenario to participants or ask a volunteer to do so.



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

Lucia only has experience using cash and does not have an account at a financial institution. She wants to build a relationship with a bank, but is unsure where to start. She wants to be able to make purchases and pay her bills easily.

She does not 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 to get a reloadable 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 could be insured by the FDIC, providing safety and security; however, she needs to make sure the requirements are met.
    - » She can't overspend. She can only spend the money she loads onto the card.
    - » A reloadable prepaid debit card may allow her to set up direct deposit if that is offered by her employer.
- **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 establishes a relationship with a financial institution. She may be able to access other products or services, 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 bill-paying options—debit card, checks, and automatic bill payments. And, she must keep track of her transactions so she does not overdraw the account; even with overdraft protection, overdrawing her account can become costly.

Tips for Using Prepaid Cards

Present information (5 minutes)

See page 30 in the participant guide.

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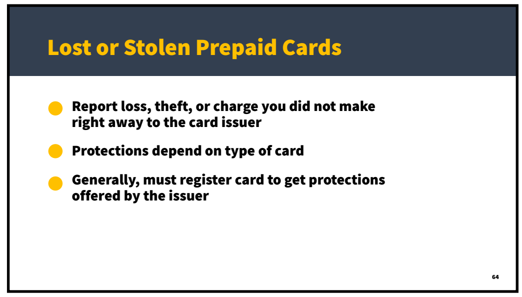

SAY

- 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 protect for loss or theft. Check your card provider's website or your cardholder agreement for specifics.
- **You generally must register your card to get the protections offered by the issuer.**

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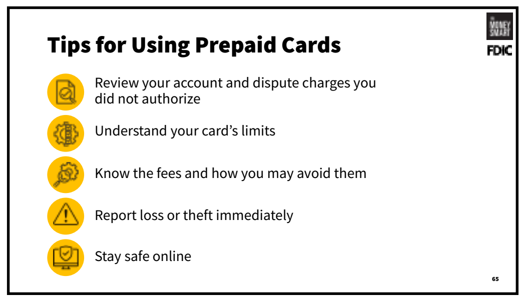

SAY

- 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 that can be loaded onto the card, other limits related to reloading funds, and any limits to purchases or withdrawals.
  - Know what fees are charged and how you may avoid them.
  - Report a loss or theft immediately.
  - Stay safe online. Visit **https://onguardonline.gov**.

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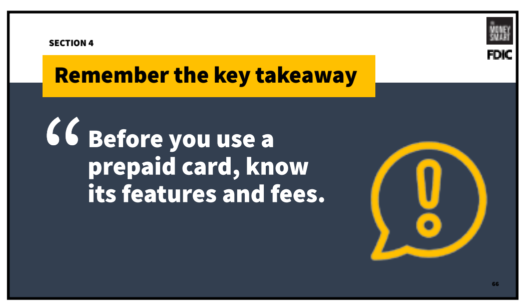

SAY

- Remember the key takeaway: Before you use a prepaid card, know its features and fees.

Module Closing

Time estimate for this section: 10 minutes

Remember the Key Takeaways

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 31 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 before you select financial products and services.
2: Opening an Account	Know the general process for opening a savings or checking account. You have options if you cannot open an account.
3: Managing an Account	Learn the terms of your account and keep track of how you use it. This can help you develop a positive banking relationship.
4: Prepaid Cards	Before you use a prepaid card, know its features and fees.

Take Action

See page 31 in the participant guide.

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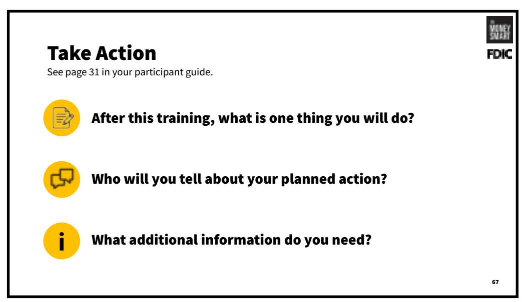

SAY

- You are more likely to act if you commit to taking action now.
- Consider writing down what you intend to do based on today's training.
- Take a few minutes to answer the questions under "Take Action" on page 31 in your participant guide.

DO

- If time permits, ask a few participants to share what they wrote.
- 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 32 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.

Post-Training Survey (Optional)

See page 34 in the participant guide.

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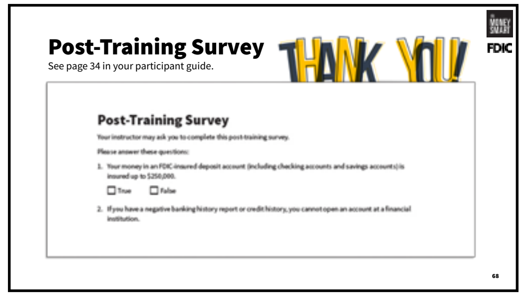

SAY

- Thank you for coming to this Money Smart training.
- Please complete the post-training survey on page 34 of your participant guide.
- It should take less than five minutes to complete.

SAY

- Collect the completed surveys.

Answer Key for the Pre- and Post-Training Survey

1. Your money in an FDIC-insured deposit account (including checking accounts and savings accounts) is insured up to $250,000.
   - The answer is **true**.
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. Which of the following can help you manage your checking account? Choose all that apply.
   a. Keeping track of deposits, withdrawals, and debit card transactions
   b. Setting up text or email alerts
   c. Using secure internet connections for managing your account online or using a mobile app
   d. All of these can help you manage your checking account

   The answer is **“d. All of these can help you manage your checking account.”**
4. All prepaid cards charge the same fees.
   - The answer is **false**.

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

Please answer the following questions about the training.

1. The trainer:

Shared information in a way that was clear and easy to understand.	☐ Yes	☐ No
Made the training engaging.	☐ Yes	☐ No
Encouraged participation and discussion.	☐ Yes	☐ No
Showed respect for all participants.	☐ Yes	☐ No
Created a good learning environment.	☐ Yes	☐ No

2. Do you feel better able to make decisions related to the topic of this training?
   ☐ True ☐ False ☐ I do not know

3. Did the training provide information that you can use immediately?
   ☐ True ☐ False ☐ I do not know

4. What were strengths of the training materials?

   What could be improved?

5. What were strengths of how the instructor led the training?

   What could be improved?

6. What else would you like to learn about this topic or other money topics?