



MODULE 1
Bank On It



**MONEY SMART
FOR YOUNG ADULTS**



Pre-Training Survey

See page 33 in your participant guide.

Pre-Training Survey

Your instructor may ask you to complete this pre-training survey.

Please answer these questions:

1. Your money in an FDIC-insured deposit account (including checking accounts and savings accounts) is insured up to \$250,000.
 True False
2. If you have a negative banking history report or credit history, you cannot open an account at a financial institution.

SECTION 1

Financial Products, Services, and Providers

See page 2 in your participant guide.



SECTION 1**Key Takeaway**

**Consider your needs
before you select
financial products and
services.**



FINANCIAL INSTITUTIONS: Banks and Credit Unions

- Banks (including savings associations)
- Credit unions
- Accept deposits of money
- Lend money
- May offer other products and services, such as credit cards, auto loans, student loans, mortgages, among others

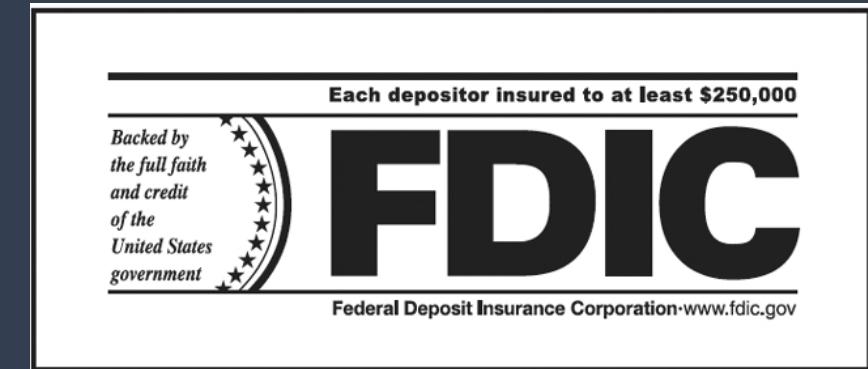
Differences Between Banks and Credit Unions

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

Deposit Insurance—for Banks

Federal Deposit Insurance Corporation

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



Share Insurance—for Credit Unions

National Credit Union Administration

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

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

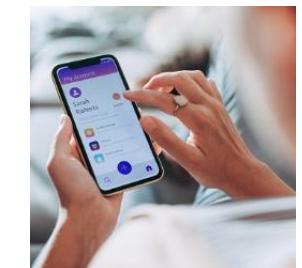
NCUA

National Credit Union Administration, a U.S. Government Agency

Accessing Services

Access services through:

- Retail locations
- Automated teller machines (ATMs)
- Customer service phone numbers and email
- Websites
- Mobile banking and smart phone apps



Request reasonable accommodations if needed

Products and Services Available at Financial Institutions



Deposit products



Credit products



Other products and services

Deposit Products Include...

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

Credit Products Include...

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

Other Products and Services Include...

- Check cashing
- Money orders
- Prepaid cards
- Debit cards
- Cashier's checks
- Automated teller machines (ATMs)
- ATM cards
- Online or mobile banking, including bill-paying service
- Person-to-person (P2P) payments
- Remittance transfers
- ACH payments

Other Financial Service Providers

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

What Financial Products and Services Do You Need?

Financial products and services can help you:

- Save money
- Spend money
- Manage money
- Borrow money

Start with your needs

Try It

What Do You Need to Manage Your Money?

See page 5 in your participant guide.

TRY IT

What Do You Need to Manage Your Money?

Financial products and services can help you save, spend, manage, and borrow money.

How do you know what financial products and services to use? How do you select a financial institution?

You start with your **needs—specifically, your financial management needs**. Some people use the phrase “**money management needs**.”

SCENARIO

Apply It

My Financial Management Needs

See page 6 in your participant guide.

APPLY IT

My Financial Management Needs

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

I need to:

- | | |
|---|---|
| <input type="checkbox"/> Save for emergencies safely and securely | <input type="checkbox"/> Access cash quickly |
| <input type="checkbox"/> Save for goals safely and securely | <input type="checkbox"/> Borrow money |
| <input type="checkbox"/> Pay my bills safely and securely | <input type="checkbox"/> Improve or build my credit |



Apply It

My Banking Checklist

See page 7 in your participant guide.

 **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.

Sections in Apply It: My Banking Checklist

My Needs and Access

Checking Accounts, Reloadable Prepaid Cards, and Other Transactional Accounts

Savings Accounts

SECTION 1

Remember the key takeaway

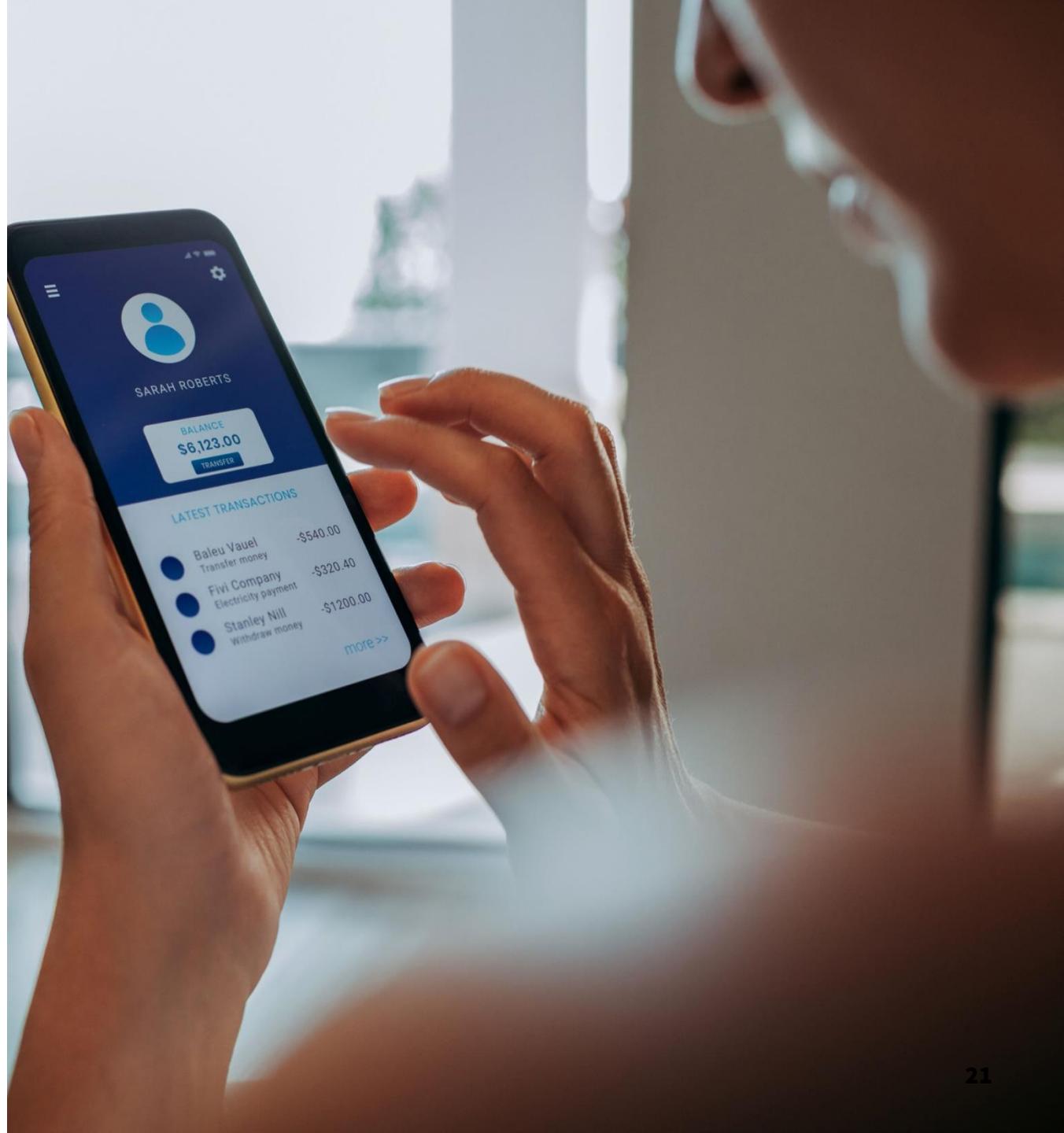
“ Consider your needs before you select financial products and services.



SECTION 2

Opening an Account

See page 9 in your participant guide.



SECTION 2**Key Takeaway**

Know the general process for opening a savings or checking account. You have options if you cannot open an account.



Savings and Checking Accounts

- Safety and security through federal deposit insurance
- Ability to earn interest, depending on the account
- Convenience
- Ability to build a relationship with a financial institution
- Important consumer protections

Types of Accounts

Custodial accounts

- Owned by a minor, but managed by an adult
- Only open a custodial account with a trusted adult

Joint accounts

- Jointly owned by a minor and an adult or by two adults
- Financial institutions may limit options

Noncustodial accounts

- Allowed in some states
- Financial institutions choose whether to offer

Apply It

My Checklist for Opening a Savings or Checking Account

See page 10 in your participant guide.

APPLY IT

My Checklist for Opening a Savings or Checking Account

You can use this checklist to prepare for opening a savings or checking account. Minors can open **custodial accounts** or **joint accounts** with the help of an adult and may be able to open **noncustodial accounts**, depending on state law and the policies of the financial institution. Custodial accounts must be opened with the help of an adult. If you are opening a custodial account, the custodian will need to help with the process described below.



Apply In Person or Online

- Complete an application
- Verify your identity
- Make first deposit
- Activate account tools
- Decide whether to opt in to overdraft program
- Sign disclosure documents
- Ask questions

Banking History Reports

Everyone is not approved for an account

Banking history reports include information on:

- Unpaid balances on accounts
- Suspected fraud related to accounts
- Certain accounts closed by financial institution

Right to one free banking history report from each nationwide consumer reporting company every 12 months

- May file a dispute to correct errors

Apply It

Getting My Banking History Reports

See page 12 in your participant guide.

 **APPLY IT**

Getting My Banking History Reports

You can use this information to get your banking history reports. You likely do not have a banking history report if there is no negative information on file.

Get Your ChexSystems Report

Online: Visit www.chexsystems.com and look for “FACTA Free Annual Report”

Phone: 800-428-9623

Apply It

Filing a Dispute on My Banking History Report

See page 13 in your participant guide.

 **APPLY IT**

Filing a Dispute on My Banking History Report

If you find incorrect information in your banking history report, you can use these three steps to file a dispute. Consumer reporting companies generally have 30 days to investigate your dispute and provide you with a response.

STEP 1

File a Dispute With the Consumer Reporting Company

ChexSystems

Apply It

My Options for Opening an Account Despite Challenges

See page 14 in your participant guide.

APPLY IT

My Options for Opening an Account Despite Challenges

You can use this resource to identify options for opening an account even if you experienced challenges opening one in the past. Check the option or options that may work for you.

-
- This is an option for me.

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. Some financial institutions may allow you to open a low-cost account with a low minimum

Possible Options

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

SECTION 2

Remember the key takeaway

“ Know the general process for opening a savings or checking account. You have options if you cannot open an account.



SECTION 3

Managing an Account

See page 16 in your participant guide.



SECTION 3**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.



Using a Savings Account

- Build savings by depositing money and keeping it there to earn interest
- Designed to save money for the future
- Often offer higher interest rates than checking accounts that earn interest
- Not designed for frequent transactions

Apply It

Managing My Savings Account

See page 17 in your participant guide.

 **APPLY IT**

Managing My Savings Account

Use this checklist to manage your savings account.

- Read the rules of your account. Be sure you understand the fees, such as for going below the minimum balance or making too many transactions from the account. Ask questions if you do not understand something.**
- Keep track of your deposits and withdrawals. You can keep your own record each time you deposit or withdraw money. Also keep track of scheduled future transactions. A paper-based log or a mobile app can help. You may also be able to use online and mobile banking to keep track of your account.**

Managing My Savings Account



Read the rules of your account



Keep track of your deposits and withdrawals



Review your account statements



Set up email or text alerts, if possible



Stay safe online

Using a Checking Account

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

Overdrafts

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

Rodney: Overdraft Example

Transaction Order Resulting in One Overdraft Charge

Event	Balance
Starting balance	\$50
\$15 birthday cake	\$35
\$25 gas	\$10
\$45 phone bill	-\$35
\$35 overdraft charge	-\$70

Transaction Order Resulting in Two Overdraft Charges

Event	Balance
Starting balance	\$50
\$15 birthday cake	\$35
\$45 phone bill	-\$10
\$35 overdraft charge	-\$45
\$25 gas	-\$70
\$35 overdraft charge	-\$105

Rodney: Overdraft Example

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

Direct Deposit

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

Automatic Bill Payment/Automatic Debit

- **Automatic Bill Payment**
 - Schedule and send payments through your financial institution
 - One-time or recurring payments
- **Automatic Debit**
 - Give permission to merchant or lender to take payments from your account
- **Make sure you have enough money in your account to cover these payments**

Try It

Learning the Parts of a Check

See page 19 in your participant guide.

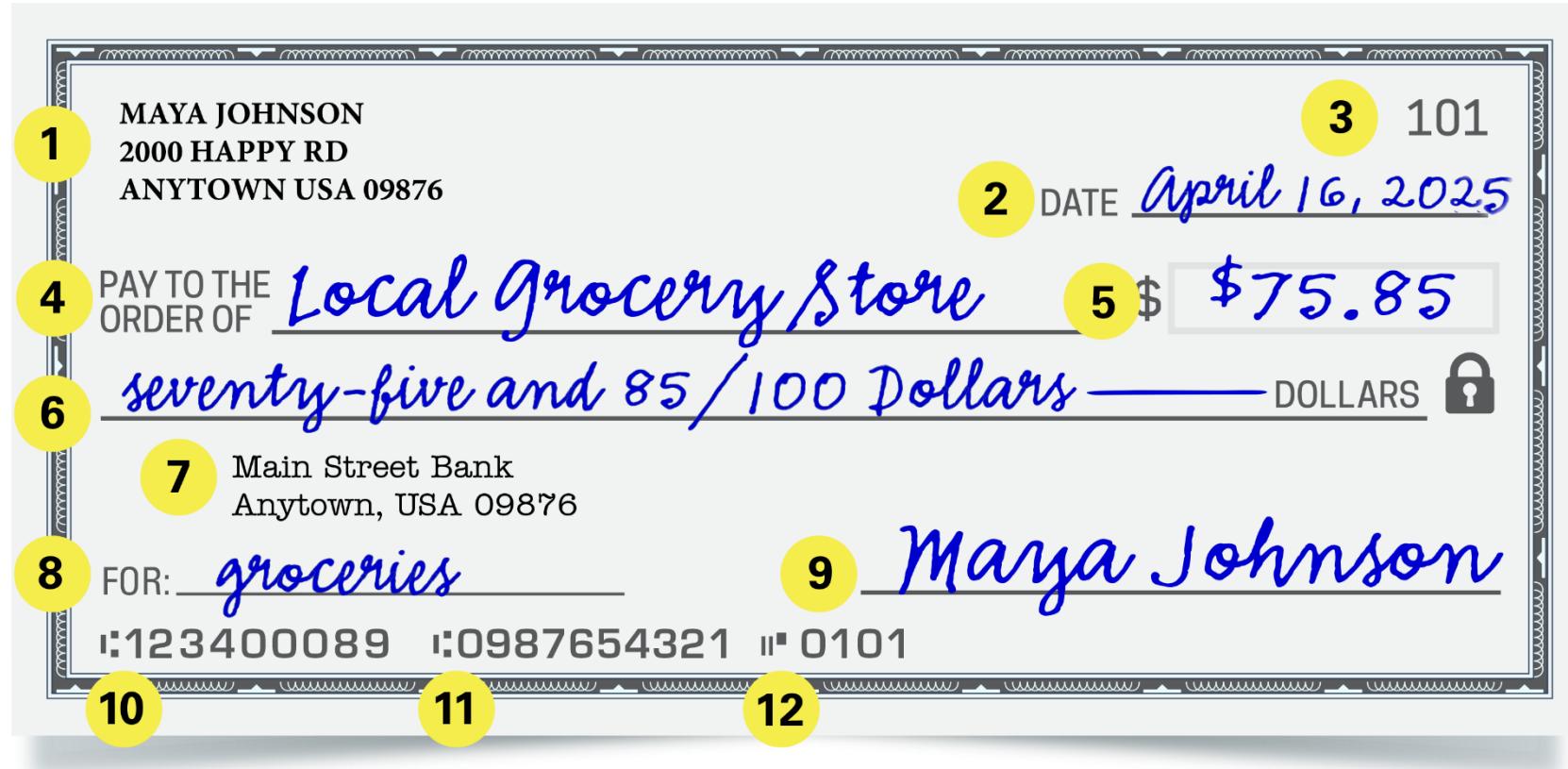
**TRY IT**

Learning the Parts of a Check

Name and describe each part of the sample check.



Example Check



Apply It

Managing My Checking Account

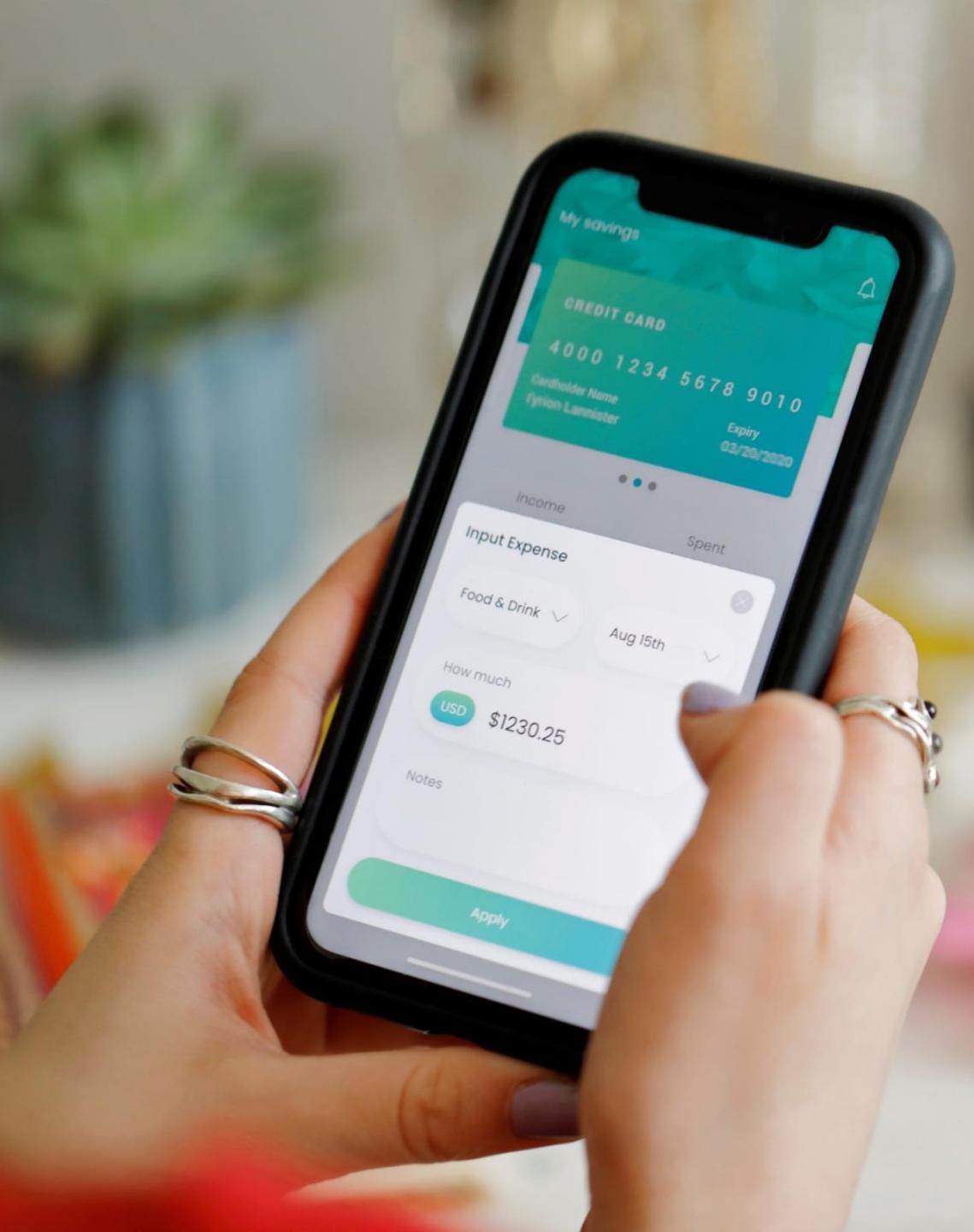
See page 20 in your participant guide.

 **APPLY IT**

Managing My Checking Account

Use this checklist to manage your checking account.

- Read the terms of your account.** Be sure you understand the fees, including how you can avoid them.
- Keep track of your deposits and withdrawals.** You can keep your own record each time you deposit or withdraw money. If your account provides online or mobile access, you can use a mobile app, your financial institution's online banking system, or another program to regularly track your checking account use. It usually gives real-time or almost real-time information.
- Review your account statements.** Make sure you recognize each deposit or withdrawal and inform the bank right away if you see any errors.
- Keep track of holds on your debit card.** If you use your debit card to pay at a gas station, to make a



Managing a Checking Account

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

More Ways to Manage a Checking Account

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



Try It

Using a Transaction Register

See page 21 in your participant guide.



TRY IT

Using a Transaction Register

Read the scenario. Use the list of transactions to complete Asif's transaction register on the next page and then answer the question.

SCENARIO

Asif Uses a Transaction Register to Manage His Checking Account

Asif opened a checking account with an initial deposit



Try It: Using a Transaction Register – Answer Key

Check Number	Date	Transaction	Withdrawal	✓	Deposit	Balance
		Opening Deposit			\$300 00	\$300 00
	4/3/25	Local Market	50 00			250 00
	4/3/25	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	5/1/25	Happy Properties	500 00			96 00

Try It

Using a Mobile App

See page 23 in your participant guide.



Using a Mobile App

Now let's help Asif use a mobile app to manage his checking account. Below is Asif's Mobile App Screen that he sees when he opens the app on May 1, right after dropping off his rent check to Happy Properties.

Review the mobile app screen on the right and the previous scenario. Then answer the transaction questions on the left.

Transaction Questions

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

Asif's Mobile App Screen

ABC Financial Institution
Checking (... 7890)

Current Balance **\$546.00**

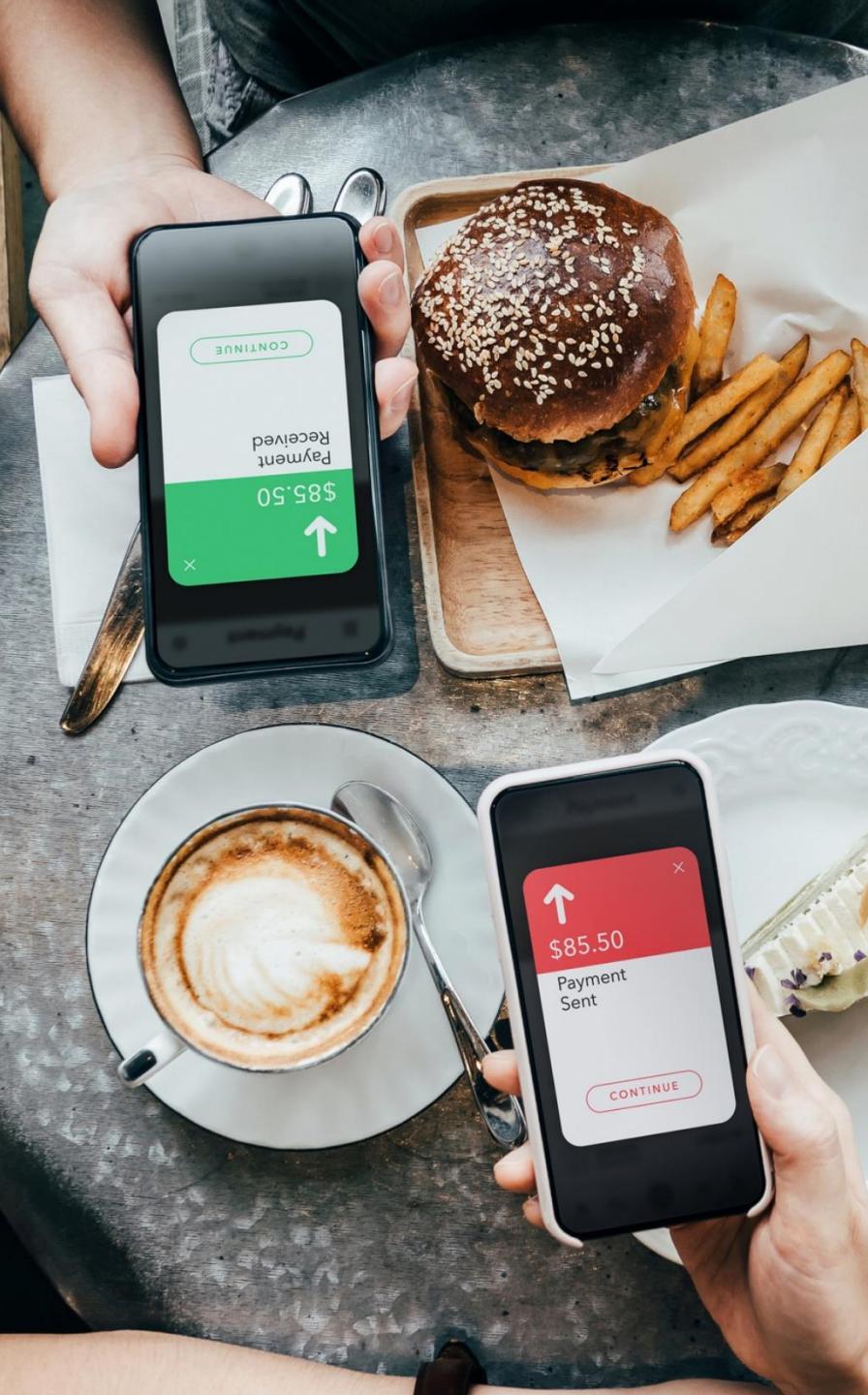
Automated Teller Machine (ATM) Cards

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



Debit Cards

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



Person to Person (P2P) Payments

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

Mobile Wallet Apps

**Make point-of-sale purchases
with your mobile device
instead of a debit, credit, or
prepaid card**



**Keep your device and
information secure**

Visit <https://OnGuardOnline.gov>



SECTION 3

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

See page 26 in your participant guide.



SECTION 4**Key Takeaway**

**Before you use a
prepaid card, know its
features and fees.**



How Prepaid Cards Work

- **Not linked to a checking or savings account**
- **Access money loaded onto the card**
 - Load money in person, by phone, online, or through a mobile app
 - Use direct deposit (some cards)
- **Register card to use all its features**
 - Not the same as activating the card
- **May allow minors to be authorized users**

Kinds of Prepaid Cards

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

Try It

Features of Most Reloadable Prepaid Cards

See page 27 in your participant guide.



Features of Most Reloadable Prepaid Cards

Check "yes" or "no" for each item.

Is This a Feature of Most Reloadable Prepaid Cards?	Yes	No
You can use it in a restaurant to purchase a meal.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
You can withdraw money from an ATM with it.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Try It

What Fees Are Common to Reloadable Prepaid Cards?

See page 28 in your participant guide.



TRY IT

What Fees Are Common to Reloadable Prepaid Cards?

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

Monthly fee

Transaction fee

Try It

A Prepaid Card or a Bank Account?

See page 29 in your participant guide.



TRY IT

A Prepaid Card or a Bank Account?

Read the scenario and answer the questions.

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

Scenario

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



Lost or Stolen Prepaid Cards

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

Tips for Using Prepaid Cards



Review your account and dispute charges you did not authorize



Understand your card's limits



Know the fees and how you may avoid them



Report loss or theft immediately



Stay safe online

SECTION 4

Remember the key takeaway

“ Before you use a prepaid card, know its features and fees.



Take Action

See page 31 in your participant guide.



After this training, what is one thing you will do?



Who will you tell about your planned action?



What additional information do you need?

Post-Training Survey

See page 34 in your participant guide.



Post-Training Survey

Your instructor may ask you to complete this post-training survey.

Please answer these questions:

1. Your money in an FDIC-insured deposit account (including checking accounts and savings accounts) is insured up to \$250,000.
 True False

2. If you have a negative banking history report or credit history, you cannot open an account at a financial institution.