

# SEMINAR 1: PERSONAL BANKING

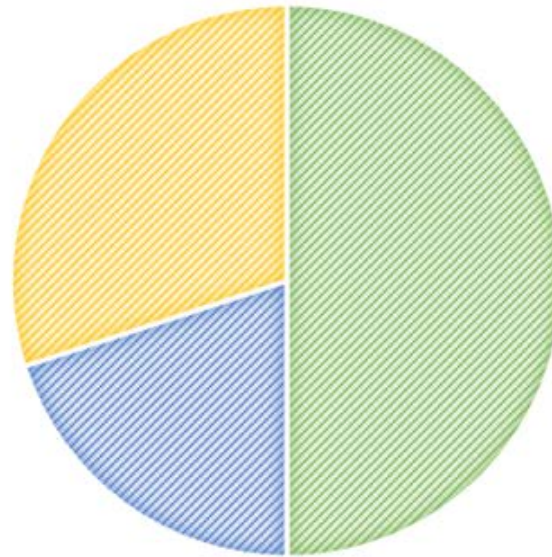
## Summary:

- Budgeting
- Benefits
- Saving Strategy
- Banking
- Credit



# BALANCED MONEY PLAN

■ Fixed (50%)   ■ Savings (20%)   ■ Wants (30%)



# Fixed Spending (50% or less)

- Rent
- Car Payments
- Phone Bill
- Basic foods
- Insurance



# Variations

- Age
- Children
- Self-employment
- Goal: 30% on housing/renting





# Decreasing Fixed Spending

- Fixed Rent
- Trading in cars
- Selling certain fixed items (house)
- Insurance necessity evaluation

# Savings (20% or more)

## Benefits

Protection from:

- ✓ Job Loss
- ✓ Turn in the Market
- ✓ Boom and Bust Pattern
- ✓ Unexpected family increase
- ✓ Injury
- ✓ College



## Opportunity:

- ✓ Stable credit score
- ✓ Lower interest rates
- ✓ Increased Loan Options

# Expendable Spending (30% or less)

What qualifies as expendable?

- Non monthly payments
- Going to the movies
- Eating out

What are some examples that you can think of?





# Banking



## Types of Accounts

- Checking
- Savings
- Alternate Banking



# Writing a check

Name or person  
you're paying



Date



Amount in  
Words  
(cursive)



Memo: optional  
description of the  
intention behind  
payment  
Ex: phone bill etc.



Routing Number:  
(# of the bank  
processing the check)



Account Number  
(unique to you &  
followed by |)



Check  
Number  
(different)



Signature



Amount  
being paid



1936

July 29, 2010  
DATE

PAY TO THE ORDER OF Gay City Health Project \$ 599.00  
Five Hundred Ninety Nine and 00/100 DOLLARS

FOR Gender Justice League John Smith

⑆000000186⑆ 000000529 1000

Security Features Details on back



# Banking Options

# Credit

- Credit Report
- Credit Score
- Receiving a score (FICO)



# SAMPLE CREDIT REPORT

## CREDIT REPORT

1 DUNCAN, ELIZABETH\*2 9923,, WOODBINE,, CHICAGO, IL, 60693\*3 10, N, CAMINO,, OAKLAND, CA, 94583\*5 001-01-0418\*\*

### TRANS UNION CREDIT REPORT

① <FOR> (1) D248 <SUB NAME> ABC DEPT STORE <MKT SUB> 06 CH <INFILE> 4/74 <DATE> 12/15/94 <TIME> 09:36CT

<SUBJECT> DUNCAN, ELIZABETH <SSN> 001-01-0418 <BIRTH DATE> 2/53  
 <ALSO KNOWN AS> COOK, ELIZABETH <TELEPHONE> 555-4212

<CURRENT ADDRESS> 9932 WOODBINE, #9B CHICAGO IL. 60693 <DATE RPTD> 11/93  
 <FORMER ADDRESS> 10 N. CAMINO, OAKLAND CA. 94583 2/92

<CURRENT EMPLOYER AND ADDRESS> MARRIOTT HOTELS <POSITION> CONCIERGE  
 8638 GRAND, ANYTOWN IL. <INCOME> 32500Y <VERF> 11/94 <RPTD> 11/94 <HIRE> 11/91

### SPECIAL MESSAGES

① \*\*\*TRANS-ALERT: INPUT ADDRESS DOES NOT MATCH FILE ADDRESS\*\*\*  
 ② \*\*\*HAWK-ALERT: VERIFY INPUT...  
 - CURRENT ADDRESS IS COMMERCIAL

### MODEL PROFILE

② \*\*\*NEW DELPHI ALERT: SCORE③ +775: 26, 03, 06, 25 \*\*\*

### CREDIT SUMMARY

② PR=1② COL=1② NEG=1② HSTNEG=1-6② TRD=2② RVL=1② INST=1② MTG=0② OPN=0② INQ=2  
 ② HIGH CRED② CRED LIM② BALANCE② PAST DUE② MONTHLY PAY AVAILABLE  
 REVOLVING: \$500 \$1000 \$100 \$ \$20 90%  
 INSTALLMENT: \$16.0K \$ \$12.4K \$1974 \$282  
 ② TOTALS: \$16.5K \$1000 \$12.5K \$1974 \$302

### PUBLIC RECORDS

SOURCE	DATE	LIAB	ECOA	ASSETS	DOCKET#
TYPE			COURT LOC		PLAINTIFF/ATTORNEY
Z 4932059	5/94R	\$13.0K	C	\$0	94B38521
CIVIL JUDGMENT			CHICAGO, IL		R. SMITH/D. WINSLOW

### COLLECTIONS

SUBNAME	SUBCODE	ECOA	OPENED	CLOSED	\$PLACED	CREDITOR	MOP
ACCOUNT#			VERIFIED		BALANCE	REMARKS	
ADVANCED COL Y 999C004 I			1/94	1/94F	\$2500	ABC BANK	O9P
12345			12/94A		\$1000	MAKING PAYMENTS	

### TRADES

SUBNAME	SUBCODE	OPENED	HIGHCRED	TERMS	MAXDELQ	PAYPAT	1-12 MOP
ACCOUNT#			VERIFIED	CREDLIM	PASTDUE	AMT-MOP	PAYPAT 13-24
ECOA COLLATRL/LOANTYPE		CLSD/PD	BALANCE	REMARKS			MO 30/60/90
AMERICAN BK B 6661001	5/93	\$16.0K	60M282	12/94	543323211111	I05	
9876543210	12/94A		\$1974	51974 05	11111111		
I NISSAN MAXIMA		\$12.4K	*CONTACT	SUBSCRIBER	19V 2/ 3/ 2		
FILENES D 3847002	4/90	\$500	MIN20		111111111111	R01	
2212345678	12/94A	\$1000			111111111111		
C /CREDIT CARD		\$100			48V 0/ 0/ 0		

### INQUIRIES

DATE	SUBCODE	SUBNAME	DATE	SUBCODE	SUBNAME
12/15/94	DCH248	ABC DEPT STORE	11/7/94	BPH9999	TEST BANK

② END OF CREDIT REPORT - SERVICED BY :  
 TRANS UNION CORPORATION 810-524-2222  
 PO BOX 390, SPRINGFIELD, PA. 19064



## Credit Report example



# Example Credit Score

## Your FICO® Score Summary



Your FICO® Score as of October 15<sup>th</sup>

777

On September 13<sup>th</sup> your score was 777



800+

Excellent



740 - 799

Very Good



670 - 739

Good



580 - 669

Not Good



579 or less

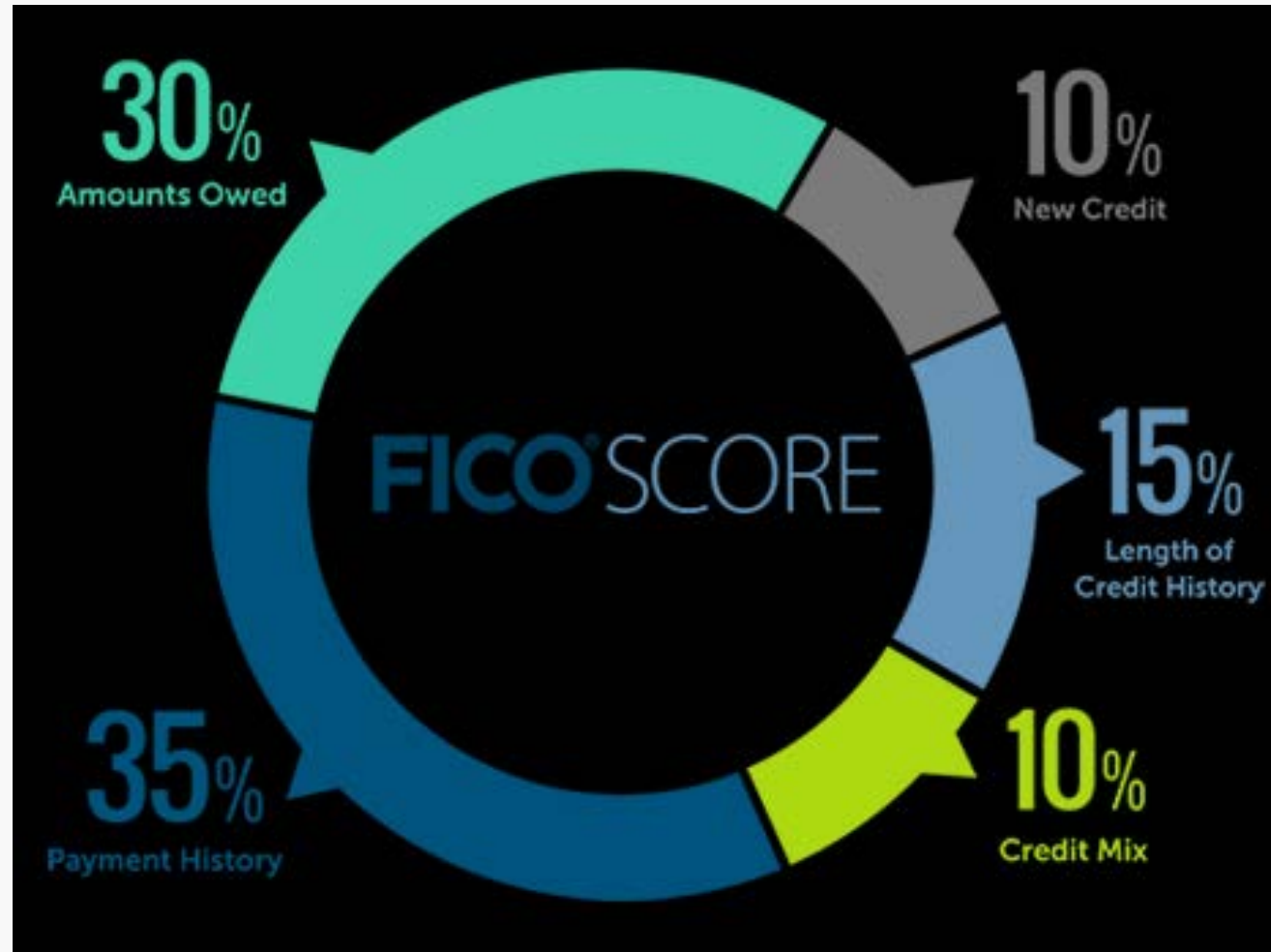
Poor

### What is a FICO® Score?

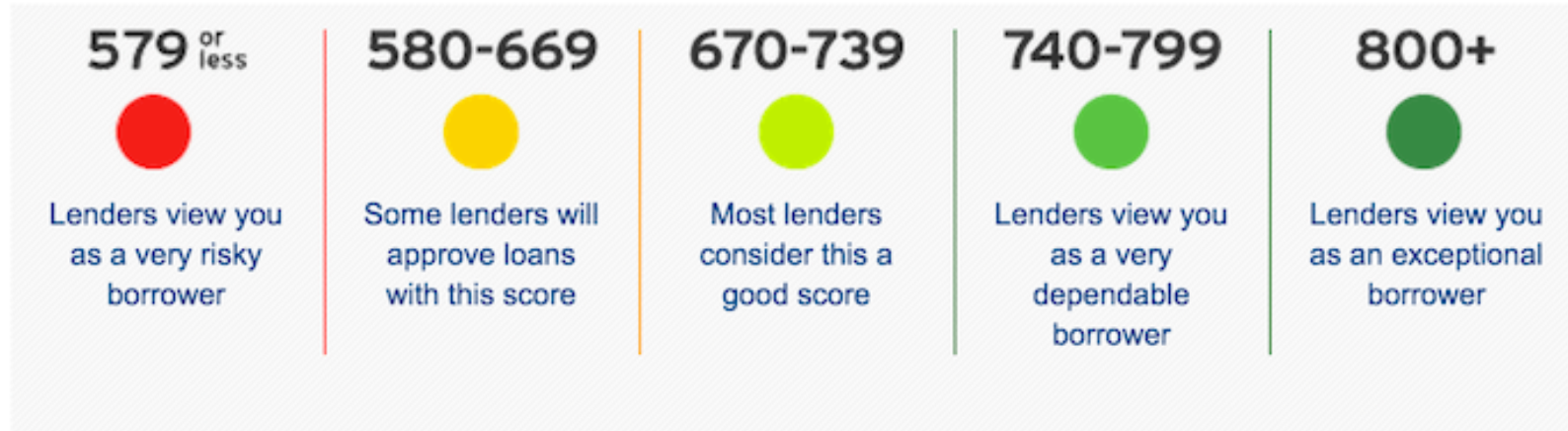
Your credit score summarizes information on your credit report into a single number that lenders can use to quickly assess your credit risk. Your FICO® Score is a three-digit number calculated from the information on your credit report that falls within a 300-850 range. Your Experian credit report is used to calculate the score displayed above; as information on your credit report changes so will your credit score.

[Request a copy of your credit report](#)





## Fico Score Composition



## Score Meaning

- **800 or higher** - The FICO® Score is in the top 20% of U.S. consumers
- **740 - 799** - The FICO® Score is in the top 40% of U.S. consumers
- **670 - 739** - The FICO® Score is near the average score of U.S. consumers
- **580 - 669** - The FICO® Score is below the average score of U.S. consumers
- **579 or less** - The FICO® Score is in the lowest 20% of U.S. consumers