

MODULE 23 : Vocab & Key Terms

The Basics Of Banking

Bank

A financial institution licensed to receive deposits and make loans.

Commercial Bank

A bank that offers services to the general public and to companies.

Investment Bank

A bank that specializes in services for businesses and investors, like underwriting and advising on mergers and acquisitions.

Interest

The charge for the privilege of borrowing money, typically expressed as an annual percentage rate.

Deposit

Money placed in any type of bank account.

Loan

An amount of money borrowed by a borrower for a certain period, typically incurring interest until the money is repaid to the lender.

Economy

A system by which goods and services are produced, sold, and bought in a country or region.

FDIC Insurance (Federal Deposit Insurance Corporation)

A United States government corporation providing deposit insurance up to \$250,000 to depositors in U.S. banks.

Bank Regulation

Laws and rules governing banking operations which are typically Federal Laws passed by the US Congress.

Bank Services

Various offerings provided by banks to their customers, like checking accounts, savings accounts, mortgages, and loans.

Digital Banking

Banking services provided through electronic and digital platforms which can help make your money more accessible on the go.

Checking Account

A deposit account at a bank that allows withdrawals and deposits, often accessible via checks, ATMs, and electronic debits.

Savings Account

A deposit account that earns interest and is typically used for saving money over a period of time with a minimum account balance that you must maintain.

CD (Certificate of Deposit)

A savings certificate with a fixed maturity date and specified fixed interest rate.

High-Yield Savings Account

A type of savings account that offers a higher interest rate compared to standard savings accounts.

Overdraft Protection

A service that prevents checks, ATM transactions, or debit card purchases from overdrawing a bank account, which can create unexpected fees.

Wire Transfer Fees

Charges applied for electronic transfer of funds from one person or entity to another.

Debt

Money owed by one party to another.

Transaction Fees

Fees charged for certain types of transactions, such as transferring money or making payments.