

# Comprehensive Guide to U.S. Retail Banking Processes

## 1. Overview of U.S. Retail Banking

- FDIC-insured banks protect deposits up to \$250,000 per depositor, per insured bank.
- NCUA-insured credit unions offer similar protections for credit union members.
- U.S. banks can be federally or state-chartered; federal banks are regulated by the OCC, while state banks are overseen by state regulators and the FDIC or Federal Reserve.
- Key consumer protection laws include:
  - Regulation E (Electronic Fund Transfer Act): Protects consumers in electronic payments.
  - Regulation Z (Truth in Lending Act): Requires clear disclosure of credit terms.
  - UDAP: Prohibits unfair, deceptive, or abusive acts or practices.
  - EFTA: Governs electronic fund transfers.
  - Truth in Savings Act: Requires disclosure of terms and conditions of deposit accounts.

## 2. Account Opening Process in U.S. Banks

- Eligibility:
  - Must be a U.S. resident or have a valid ITIN.
  - Must be at least 18 years old (or have a guardian for minor accounts).
- Required Documents:
  - Government-issued photo ID (driver's license, passport).
  - Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN).
  - Proof of address (utility bill, lease agreement).
- CIP Requirements:
  - Mandated by the USA PATRIOT Act to verify identity.
- ChexSystems:
  - Used to assess past banking behavior.
- Account Opening Methods:
  - In-branch: Face-to-face verification.
  - Online: Digital KYC, document upload, and e-signature.
- Activation Timeline:
  - Typically 1-3 business days after verification.

## 3. Types of Accounts Offered in U.S. Banks

- Checking Accounts:
  - Standard, Interest-bearing, Student, Senior, Second-chance.
- Savings Accounts:
  - High-yield, Money Market, Custodial (for minors).
- Certificates of Deposit (CDs):
  - Fixed terms (3 months to 5 years), early withdrawal penalties, APY disclosures.
- Credit Union Share Accounts:
  - Equivalent to savings accounts, required for membership.

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- Business Accounts:
  - For sole proprietors, LLCs, corporations; require EIN and business documents.
- Joint Accounts & Beneficiaries:
  - Joint ownership with survivorship rights.
  - Payable-on-death (POD) or Transfer-on-death (TOD) designations.

## 4. Digital Banking Setup in the U.S.

- Online Banking Enrollment:
  - Requires SSN, account number, and debit card verification.
- Mobile App Setup:
  - Includes biometric login (Face ID, fingerprint), MFA, and device registration.
- Zelle Enrollment:
  - Linked to email or mobile number; requires verification.
- ACH Authorization:
  - Consent required for recurring debits; governed by NACHA rules.
- Security Features:
  - Fraud monitoring, device fingerprinting, login alerts, and secure messaging.

## 5. Funds Transfer Processes in U.S. Banks

- Internal Transfers:
  - Instant between accounts at the same bank.
- ACH Transfers:
  - Processed in batches; subject to cutoff times and NACHA rules.
- Wire Transfers:
  - Domestic: Same-day via Fedwire.
  - International: SWIFT network; requires SWIFT/BIC code and IBAN.
- Zelle Transfers:
  - Real-time; subject to daily/monthly limits and fraud controls.
- Cashier's Checks & Money Orders:
  - Guaranteed funds; used for large or official payments.
- Deposit Holds:
  - Reg CC governs availability; large or suspicious deposits may be held.

## 6. Debit & Credit Card Lifecycle Management

- Debit Cards:
  - Activated via ATM, online banking, or phone.
  - EMV chip for security; PIN setup required.
- Credit Cards:
  - Application involves credit check (Experian, Equifax, TransUnion).

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- Underwriting based on credit score, income, and debt-to-income ratio.
- Card Management:
  - Freeze/unfreeze via app.
  - Lost/stolen cards should be reported immediately.
- Chargebacks:
  - Debit: Reg E provides 60-day window for unauthorized charges.
  - Credit: Reg Z allows disputes within 60 days of statement.

## 7. Customer Support Channels in U.S. Banks

- Phone Banking:
  - 24/7 toll-free support for account and fraud issues.
- Secure Messaging:
  - Available via online/mobile banking portals.
- Branch Appointments:
  - Schedule online or walk-in for in-person service.
- ATM Support:
  - 24/7 access to cash and basic services.
- Escalation Matrix:
  - Customer Service Rep -> Supervisor -> Branch Manager -> Corporate Office -> CFPB Complaint.

## 8. Fraud Prevention & Security Best Practices (U.S. Specific)

- Identity Theft:
  - Use credit monitoring and fraud alerts.
- Account Takeover Protection:
  - Enable MFA, monitor login activity.
- Phishing/Smishing/Vishing:
  - Never share credentials or click unknown links.
- FDIC Insurance:
  - Covers up to \$250,000 per depositor, per bank, per ownership category.
- Fraud Monitoring:
  - Banks use AI, behavioral analytics, and transaction scoring to detect anomalies.

## 9. Dispute Resolution Process in U.S. Banks

- Debit Card Disputes:
  - Reg E: Report unauthorized transactions within 2 business days for full protection.
- Credit Card Disputes:
  - Reg Z: File within 60 days of statement; provisional credit within 2 billing cycles.
- ACH Disputes:
  - R codes used for returns; must be filed within 60 days.

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- Wire Recalls:
  - Initiated by the sending bank; not guaranteed.
- Provisional Credit:
  - Provided during investigation; reversed if claim is denied.
- CFPB Complaints:
  - Consumers can escalate unresolved issues to the Consumer Financial Protection Bureau.

## **10. Account Closure, Dormancy & Escheatment**

- Account Closure:
  - Request via branch, online, or written form; ensure zero balance.
- Overdraft Handling:
  - Negative balances must be cleared before closure.
- Dormant Accounts:
  - Typically after 12-24 months of inactivity.
- Escheatment:
  - Unclaimed funds sent to state after statutory period (varies by state).