



FINANCIAL SERVICES EDUCATION COALITION

A COMPREHENSIVE GUIDE
FOR COMMUNITY EDUCATORS

Helping People in Your Community Understand Basic Financial Services

DEVELOPED BY THE FINANCIAL
SERVICES EDUCATION COALITION

This guide contains information
needed to teach basic financial
services. Included in this binder
are a series of Consumer Fact
Sheets for distribution to the
members of your community.

Dear Community Educator:

The Financial Services Education Coalition is pleased to provide you with the enclosed material, **Helping People in Your Community Understand Basic Financial Services**. This document is intended for use with a variety of audiences who currently do not have accounts with financial institutions or who need basic information about how to use accounts.

The precipitating factor for the formation of the Coalition was the Department of the Treasury's EFT 99 initiative requiring Direct Deposit for most federal payments by January 2, 1999. This document is intended to assist you in helping people successfully choose and use basic financial services and understand EFT 99. The document includes a comprehensive educator's guide designed to help you establish and deliver an effective education program, as well as a series of fact sheets about financial services. At the time of print, the final EFT 99 regulation had not been published and therefore, information about the initiative is not included in this version of the document. It is expected that the final regulation will be published in late summer 1998, and the EFT 99 information will automatically be sent to you at that time. Until then, recipients with questions about EFT 99 should be provided with the pamphlet entitled *What You Need to Know About Your Federal Government Payment* or encouraged to call their paying agency (i.e., Social Security Administration, Veterans Affairs, etc.). A supply of these pamphlets can be ordered by completing the form included in Appendix E.

The Financial Services Education Coalition appreciates your interest in using this material to provide your constituents with information about basic financial services. Should you have any questions about EFT 99, please call the Financial Management Service at 202-874-6540.

Sincerely,



Michael Rupured
Chair
Financial Services Education Coalition

Enclosure

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AARP
AMERICAN BANKERS ASSOCIATION
CALL FOR ACTION, INC.
CONSUMER INFORMATION CENTER
CREDIT UNION NATIONAL ASSOCIATION, INC.
FEDERAL DEPOSIT INSURANCE CORPORATION
FEDERAL RESERVE BOARD
FEDERAL TRADE COMMISSION
INDEPENDENT BANKERS ASSOCIATION OF AMERICA
NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS
NATIONAL COMMUNITY REINVESTMENT COALITION
NATIONAL CONSUMERS LEAGUE
NATIONAL FOUNDATION FOR CONSUMER CREDIT
ORGANIZATION FOR A NEW EQUALITY
U.S. DEPARTMENT OF AGRICULTURE
COOPERATIVE STATE RESEARCH,
EDUCATION AND EXTENSION SERVICE
U.S. DEPARTMENT OF THE TREASURY,
FINANCIAL MANAGEMENT SERVICE

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2. Choosing a Financial Institution
3. Choosing a Deposit Account
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5. Automated Teller Machines (ATMs)
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Section 1. Introduction

Introduction

Why Is This Important?

According to the 1995 Survey of Consumer Finances, there are approximately 12 million households who do not have accounts with banks, savings and loans, or credit unions.¹ Many of these families live in your community. Approximately half of these families receive federal benefits, and by 1999, there will be a big change in the way they receive their benefits.² Electronic Funds Transfer (EFT) 99 is the federal government's ongoing initiative to convert most of its nearly 1 billion annual payments from paper checks to Direct Deposit by January 1999. In implementing the Debt Collection Improvement Act of 1996, federal departments and agencies are working to make most government payments, except tax refunds, electronically by 1999. Some of the payments covered under the EFT 99 provisions include:

- Social Security benefits
- Supplemental Security Income payments
- Veterans payments
- Railroad Retirement Board payments
- Civil Service Retirement payments

You can play an important role in helping families prepare and be ready for this change — to help them make informed choices and decisions for a smooth transition. Other families not affected by EFT 99 can also improve their management and decision-making skills, and get the most from their resources. All families involved can learn basic financial management skills through your program efforts.

Objectives for the Program

Our objectives are simple: 1) to help people choose and use basic financial services successfully and 2) to help bring people into the financial mainstream, if it's appropriate for them.

We believe that having an account with a bank, savings and loan, or credit union can help families better manage their resources. Financial accounts provide safe and convenient tools for money management. They can help consumers keep financial records and encourage savings habits. Having financial accounts also helps families establish and build their "financial record," so that they may become eligible for mortgage loans or other

Electronic Funds Transfer (EFT) 99 is the federal government's ongoing initiative to switch from paper check to Direct Deposit by January 1999.

Other families not affected by EFT 99 can improve their management skills through your program efforts.

credit products they might need. Also, accounts at financial institutions come with some important consumer protections and avenues for redress in case of problems.

How to Use This Guide

This guide has been designed to help you teach individuals and families about choosing and using financial services and accounts, such as checking and savings accounts. This is only a guide — a set of suggestions. You will want to customize the program and select materials that meet the specific needs of your community.

The eight consumer fact sheets included in this binder contain the information you'll need to provide your community members with basic financial skills. These materials have been printed so they can be easily photocopied for distribution to the members of your community.

Individuals who handle their money on a cash basis, or who have difficulty managing a deposit account, may have many concerns about the process. Because the government is encouraging people to sign up for Direct Deposit; however, demand for and interest in deposit accounts may increase. Therefore, one of the fact sheets explains how to choose a deposit account.

Feel free to photocopy any of these fact sheets.

In addition, the fact sheets are developed to provide people with basic information about choosing a financial institution and about successfully managing a checking or savings account. Because technology has provided the opportunity to streamline the financial process through electronic transfer of funds, the fact sheets focus on Direct Deposit, ATMs and debit cards. Finally, fact sheets are included to answer frequently asked questions and provide a glossary of financial industry terms.

The eight fact sheets are:

- Direct Deposit Saves Time
- Choosing a Financial Institution
- Choosing a Deposit Account
- Using Deposit Accounts

- Automated Teller Machines (ATMs)
- Debit Cards
- Frequently Asked Questions
- Glossary

Additional background information on EFT 99 and fact sheets related to EFT 99 will be provided by the U.S. Department of the Treasury. See Section 5 entitled *Resources* for contact information.

We have tried to keep the fact sheets simple, recognizing the reading level and numeracy skills of many of the families with whom you work. Materials in this guide; however, including materials in the appendices, are designed for you and other community educators. So, for example, the *Frequently Asked Questions* fact sheet is designed to provide information on consumer protection for your clients, while the consumer protection information in Appendix C provides more detailed background information for you.

To assist you with your planning, the guide suggests sample agendas. You know your audience, so you will want to select the information that will be most appropriate. However, none of us can absorb a lot of information at any one time. Therefore, you may want to emphasize the areas that are most important, such as *Choosing a Financial Institution* and *Using Deposit Accounts*. In Appendix E, you will find ready-to-copy materials to support your program including checklists, sample checks, sample deposit slips, sample withdrawal slips and evaluation forms.

To strengthen your program, you may find it helpful to develop partnerships with organizations in your community. The guide includes a section on organizations with which you might want to work. For those who have not taught education programs, there is guidance on how to plan, implement, and evaluate a program, and how to recruit an audience.

Although every effort has been made to ensure accuracy, no claims or endorsements accompany this guide. However, it is hoped that it will help you to deliver basic financial education.

The latest information on the status of EFT 99 can be found at the Financial Management Service's Web site • <www.fms.treas.gov/eft>.

We Need Your Feedback

The members of the Financial Services Education Coalition plan to provide revisions and updates to these materials as appropriate. As you use these materials and this guide, please let us know what works and what doesn't so that we can better help you do the important work of educating consumers. Please send comments and suggestions to:

Eleanor Kelly
Office of Public Education
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220
or via email • <eleanor.kelly@treas.sprint.com>

¹Hogarth, J.M. and O'Donnell, K.H. 1997. **Being Accountable: A Descriptive Study of Unbanked Households in the U.S.** Phoenix, AZ: *Proceedings of the Association for the Financial Planning and Counseling Education*. For more information on households without bank accounts, see Appendix D.

²Booz-Allen and Hamilton and Shugoll Research, 1997. **Mandatory EFT Demographic Study (OMB 1510-00-68)** Washington, DC.

Section 2. Working with Collaborators and Partnerships

Working with Collaborators and Partnerships

Developing Collaborations and Partnerships

Collaborators and partners determine together how a financial services educational program is created and delivered. The program's outcome and effectiveness will be guided by the people who work together to target the audience and develop the presentations. Thus, your choice of partners must be made with the goal of the program and its audience in mind.

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Similar programs have shown that collaboration is one key to success. In one such program, a community educator formed a partnership with a banker to bring technical knowledge and expertise to a program on the state's electronic benefits transfer program. The banker gained valuable insights into the financial education needs of the audience, and the community organization gained new insight on what actions to take when ATMs do not return cards or when they run out of cash.

Working with collaborators and partners can be an experience in “two-way” education: Participants learn about financial services, and staff from financial institutions learn about your audience. Both groups may find that this experience helps them break through stereotypes.

In-Kind Contributions and Financial Support

While collaborations and partnerships may involve some give and take, most agree that these can be win-win efforts. Collaborators and partners can include businesses and other types of organizations with resources to help households learn more about financial services. Partners can perform a variety of roles, including:

- Promote the program by advertising and using other promotional techniques
- Furnish or help develop materials used in the program
- Provide the meeting site, refreshments, child-care and transportation
- Help recruit interested people for the programs and presentations
- Provide knowledgeable speakers and presenters

Who Are Potential Partners?

Before involving another community agency or organization in your planning efforts, be sure to understand that group's philosophy, goals, motives and agenda. To locate these agencies and organizations, check the "government listing" or blue pages in your phone book, along with the names of the organizations. Contact information for some of these organizations is provided in Appendix B. Potential partners and collaborators for financial services education in your community may include:

- Regional or State Offices of AARP (American Association of Retired Persons)
- ARC (formerly Association for Retarded Citizens)
- Local Area Agencies on Aging
- National, Regional or Local Affiliates of the Automated Clearinghouse Association
- Faith-Based Organizations
- Community Development Councils
- Civic Organizations such as Rotary, Kiwanis, Chambers of Commerce
- Local Affiliates of the National Foundation for Consumer Credit (Local affiliates are often known as Consumer Credit Counseling Service)
- State and Local Consumer Affairs/Consumer Protection Offices
- State and Local Consumer Groups
- Cooperative Extension System Offices
- Local Ethnic Community Groups
- Local or Regional Offices of the Federal Deposit Insurance Corporation (FDIC)
- Local or Regional Offices of the Federal Reserve System
- Local or Regional Offices of the Financial Management Service, U.S. Department of the Treasury
- Financial Institutions (Banks, Savings & Loans, Credit Unions)
- Local Interagency Councils
- Local Legal Services Offices
- Mental Health Associations
- NAACP (National Association for the Advancement of Colored People)
- Local Affiliates of the National Association of Community Action Agencies

Local Affiliates of the National Association of Family and
Community Education
Local Affiliates of the National Coalition for Community
Economic Development
Local Affiliates of the National Community Reinvestment Coalition
Local or Regional Offices of the National Credit Union Administration
Public Housing Authorities
Local or Regional Offices of the Social Security Administration
Social Service, Public Assistance or Welfare Offices
United Way
Urban League
Local or Regional Offices of Veterans Affairs

If you don't have information on these agencies and organizations in your area, contact one of the U.S. Department of the Treasury's regional centers for the names and phone numbers of agencies and organizations in your area:

Tabitha Guyton
Austin Financial Center
P.O. Box 149058
Austin, TX 78714-9058
512-342-7300

Lynn Randolph
Birmingham Financial Center
P.O. Box 2451
Birmingham, AL 35201-2451
205-912-6400

James Bussen
Chicago Financial Center
P.O. Box 8670
Chicago, IL 60680-8670
312-353-5622

Sheila Kremer and Edward Deal
Philadelphia Financial Center
P.O. Box 8676
Philadelphia, PA 19101-8676
215-516-8016

Stacey Lovegren
San Francisco Financial Center
P.O. Box 193858
San Francisco, CA 94119-3858
415-744-7967

Setting up an Orientation/Coordination Meeting Among Partners

Once you've contacted potential partners and collaborators, you will want to hold an initial meeting to introduce all the partners, and to provide some direction for the development, implementation and evaluation of the program. The purpose of the initial meeting is to set the stage for the program. You will want to have the group define the program and its goals, and to determine the potential involvement of each of the partners.

Once you know what you want to accomplish and whom you want to be involved in accomplishing it, you can also develop a list of key tasks for the program, set up a timeline for these tasks, and plan for any follow-through needed by the partners and collaborators.

Section 3. Planning the Educational Program

Planning the Educational Program

Who Is Your Audience?

Participants will be as different as the collaborators and program. In general, the audience for any Direct Deposit program includes recipients of federal benefits. But you may find that your program will attract others who do not yet have bank accounts. See Appendix D for information on characteristics of households without bank accounts.

See Appendix D for information on characteristics of households without bank accounts.

Some programs will be targeted to very specific groups. For example, you may work with people in a senior residence center. Some collaborators will recruit participants from their pool of clients. But many programs may be open to anyone in the community interested in learning more about financial services.

Keep in mind that your target audience may not be benefit recipients directly, but rather family members. Adult children may be able to convince their parents that Direct Deposit of their Social Security checks is a good idea. You can give them the information they need to make the case to their parents.

Advertising the Program

Collaborators can help in advertising and promoting the program. Flyers, ads, radio and TV (including local access cable), press releases to local papers, information provided to community newsletters, posters, brochures, mailings and word-of-mouth can all help get the word out to the audience about your program. You may also want to work with schools and youth groups in your area to send information home with students for their families.

Here's a list of items to include in your posters or flyers:

Some ideas for flyers and posters:

- Use large bold type at the top of the page, bright papers and eye-catching graphics to announce the name of the program.
- Give the time, date and location of the program, including the street address and name of the building if appropriate. Include a map.
- Provide a brief agenda or list of topics that will be covered — people want to know what they're getting into.
- List the sponsoring organizations and give a name and phone number to contact for more information.

- 1. Time**
- 2. Date**
- 3. Location**
- 4. Map**
- 5. Agenda**
- 6. Sponsors**

See the sample flyer in Appendix E.

Collaborators and partners often share in the promotion and advertising for financial services education programs. Because publicity takes time, determine the very best way to communicate with the audience you are trying to reach:

- What do they watch, listen to, read or do?
- What about grocery stores and laundromats? Can you put up flyers or posters?
- Can you arrange for announcements at special places such as houses of worship, schools and clubs?
- Can you put up notices with local employers?

Remember to give yourself plenty of time to get the word out. Start as soon as you can and get your message repeated as often as you can. Because this audience may not be typical of those who attend other community education programs in your area, you will probably need to use your imagination and brainstorm ideas with your partners on how to get the word out to consumers about your program. A sample press release follows as an example of information to present to local news media.

Registration

You may want to encourage people to sign up in advance for the program. That way, you'll know how many copies of the materials you will need. You will also know how many tables and chairs to set up, so the room doesn't look too full or too empty. And you'll know how much food you'll need if you're providing refreshments.

Sample Press Release

(Your Agency) Announces Free Financial Workshops for Area Residents

(Name of county/area) residents thinking about opening up bank, savings and loan, or credit union accounts are invited to attend a free workshop designed to help them choose and use these accounts wisely.

“A new federal law is encouraging people to use Direct Deposit for receiving federal payments,” said *(insert your name)* of *(insert your agency/organization name)*.

The law provides an opportunity for federal check recipients — Social Security, Veterans, Supplemental Security Income (SSI), Railroad Retirement, Civil Service Retirement or recipients of federal employee survivor checks — to have access to the financial mainstream by offering new payment options.

If you want to learn more about these changes in the way you can receive your benefits, and how to choose and use a financial account for your electronic deposit, plan to attend the *(insert name of program)* workshop, held on *(insert date, time)* at *(insert location)*. *(Insert information here on parking, transportation, etc.)*. Child-care will be provided. The workshop is free and open to the public.

For further information, or to register, contact *(insert name of contact person)*.

Recruiting Speakers

Identify topics about which you need information, and identify people who know about that topic and can speak to your audience. Keep in mind that not everyone is comfortable getting up in front of an audience — it can take a bit of an actor at times — and remember that knowledge and excellent presentation skills don't always go hand in hand.

Speakers from financial institutions (banks, savings and loans, credit unions) can help de-mystify financial services for households who may be unfamiliar with various types of accounts. But sometimes you may have to remind speakers that the purpose of their presentation is to teach participants the nitty-gritty of choosing and using accounts, not the ins and outs of their particular products or services. Suggestions for successfully selecting and working with speakers include:

The purpose is to teach participants the nitty-gritty of choosing and using accounts, not the ins and outs of a particular product or service.

- Choose speakers who represent more than just one small area or institution, if possible. For example, ask the president of the local bankers' association rather than a banker from a specific financial institution.
- Encourage speakers to share their experiences — people like to hear personal stories.
- Make sure you have an agreement — either written or oral — with the speakers to ensure they understand the program is educational. In some cases, it's helpful to have formal written agreements so that everyone knows what's expected of them. A sample agreement form is provided in this section (see page 3.7).
- Don't allow speakers to advertise or promote their products or services during the presentation. Instead, offer them an opportunity to include business cards or brochures in the handout materials.
- Remind speakers to be specific without using jargon — remember the audience is likely to think that a CD is a compact disk, not a Certificate of Deposit.
- Have speakers talk simply and plainly, and explain what they mean. Encourage lots of questions and watch for signs that the audience is lost

(fidgeting, furrowed brows, blank looks on their faces). Go back and repeat information as needed until it is clear.

- Watch the pace of the presentation. If it's too slow, the audience may become easily distracted; if it is too fast, the audience may get lost.
- Adults like to participate. Use an interactive presentation style, and involve the audience. Ask them questions, and have them participate in activities.
- Encourage the speakers to dress in a way that is appropriate and not intimidating for the audience. Three-piece suits may not always be appropriate, but speakers should be careful not to be too informal.

Steps in Recruiting Speakers Include:

- Call the business or organization to find out with whom you should talk about speaking to the group.
- Talk to the appropriate person about the financial services educational program and the people who will attend. Discuss presentation style (plain English without jargon, providing multiple opportunities for questions), and ask about arrangements he/she will need (equipment, materials to be handed out, etc.). Stress that speakers must not advertise or promote their institutions or their products.
- Send the speaker a memo that tells more about the program and the audience. Enclose a copy of the speaker guidelines (see page 3.6) and agreement form (see page 3.7), and ask to have the form signed and returned.
- Call the speaker several days before the program to confirm the time, place and arrangements.
- Write a thank-you note to the speaker after the program (see page 3.8).

Sample Guidelines for Guest Speakers

The purpose of this program is educational, not promotional; please do not try to sell your business or services.

Our participants range in age from _____ to _____ and come from a variety of geographical areas and backgrounds, such as _____.

Please keep the audience in mind as you plan your presentation.

Please use language that is somewhat generic and not so specialized or full of jargon that the audience will not understand.

Adults like to participate in learning experiences. Please use an interactive presentation style, and involve the audience. Ask them questions, and have them participate in activities.

Don't try to cover too much. This is a basic program. Explain three or four core messages or ideas and allow plenty of time for questions.

In your Question and Answer segment, please repeat the questions to the entire audience before answering them.

You are welcome to provide resource materials to help participants understand your presentation, but make sure they do not advertise your business, products or services.

Sample Guest Speaker Agreement Form

To ensure an objective, balanced presentation, we ask that you sign the agreement form below.

As a volunteer, I have been informed orally and in writing that I cannot promote my organization's or any specific company's products or services. I agree to honor this request.

Signature: _____

Session Topic: _____

Organization: _____

Address: _____

Date Signed: _____

Please return form to:

Name: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

Sample Thank-You Letter to Guest Speaker

Date

Name

Address

Dear *(Name)*:

On behalf of *(your organization/collaborators/partners)*, I would like to thank you for your informative presentation on *(session topic)* at our financial services program on *(date)*.

We were fortunate to have someone with your professional expertise and credentials to volunteer time from your busy schedule to address the participants and serve as a resource person. *(Add personalized comments as appropriate, including feedback from evaluations.)*

It has been a pleasure working with you during these past weeks, and I look forward to working with you in future educational endeavors.

Cordially,

(your name)

(your title)

Logistics

The Site

Selecting a site means finding a place that can accommodate the anticipated number of participants in a convenient location. Look for a building that is centrally located, easily accessible via private or public transportation, and acceptable for persons with disabilities. The site should be a place where the audience will be comfortable; as nice as it might be to have the meeting in the community room of a financial institution, participants may feel intimidated about walking into a bank. Consider a meeting room in a Cooperative Extension center, neighborhood community center, house of worship, school or other public facility. Make sure restrooms and a public phone are available near the meeting room.

Choose a site that can accommodate the anticipated number of participants.

Transportation

Hold meetings in a place that is easily accessible by public and private transportation. Check to make sure that buses, subways and streetcars run frequently during times when the meetings will be held. Try to arrange for free or subsidized parking or transportation. You may also want to organize car or van pools for your meeting.

The Room Arrangements

Consider whether people will need to work at tables to take notes, fill out work sheets or use other materials. Even if you have required registration in advance, plan to have a few extra chairs set up. If there will be visuals (videos, slides, flip charts), make sure that each seat has a clear line of sight.

Consider whether people will need to work at tables to take notes, fill out work sheets or use other materials.

Timing

Consider coordinating your program with other local, regional, state or national initiatives, such as Nationwide Direct Deposit Week (in October). Offer programs at different times of the day — mornings, afternoons or evenings — to make it convenient for a variety of people to attend. You

may also want to coordinate your program with the audience's activities — Senior Center lunches or Head Start parents' meetings are examples of activities that can be incorporated into program planning.

Equipment

What sort of equipment will you and your speakers need? A blackboard and chalk? An easel and newsprint? An overhead projector and screen? A VCR and TV? If using videotapes, make sure participants can see the TV monitors (a guideline is to have one 19-inch monitor for every 10 people in the audience).

Is there a place on-site where this care can be provided?

Child and Dependent Care

Is there money in your budget to subsidize the expenses of the caregivers?

A participant may have to make the choice between attending the program with his or her children or not attending at all. Survey potential participants to determine whether child-care or dependent care will be needed. If so, is there a place nearby or on-site where this care can be provided? Is there money in the budget to subsidize the expenses of the caregivers? Make sure you have at least two adults providing care. Is there any interest in providing an educational experience for the children and others while their parents or caregivers are in class?

Refreshments

If you feed them, they will come. Refreshments will vary with the time of day, the time of year and the specific audience. You may want to ask about dietary restrictions on the registration form so that you can provide something for everyone. You will need to decide if you want refreshments at the beginning of the program, during a break in the program or at the end. Again, time of day and the program agenda will guide you. Keep in mind that it's good to give people a break after they've been sitting for about an hour.

Section 4. Delivering the Program

Delivering the Program

People learn in different ways — through reading, listening, watching and doing. Matching delivery methods with learning styles, or providing a variety of different ways to learn, will help make sure our messages about financial services education get through to participants. While many adults are used to learning via print and lecture formats, some others may require more experiential delivery techniques to help them learn about financial services.

Often the curriculum and supplemental resources you choose will help determine the delivery method. As you customize your financial services program for your participants and for local needs, you may find some delivery techniques are more appropriate than others.

Some topics lend themselves easily to certain delivery methods. For example, you can give participants practice in writing and endorsing checks, filling out deposit slips and balancing check registers. While most financial services education programs are delivered in workshop settings, you may want to consider alternative delivery strategies. For example, you may want to work with a local community college and local financial institutions to produce videos on how to use an ATM. These videos could be loaned to participants either through your office, a local video rental store or the public library. This method delivers the program in a timely way — when the consumer is ready for it rather than when you are ready to offer a workshop series.

Often the curriculum and supplemental resources you choose will help determine the delivery method. As you customize your financial services program for your participants and for local needs, you may find some delivery techniques are more appropriate than others.

“Best Practices” Guidelines for Program and Teaching Methods

- Survey potential participants to learn what their needs and interests are for financial education programs. Find out what they already know about Direct Deposit or deposit accounts in general. (Do they know what Direct Deposit is?)
- Keep segments short and focused on only a few topics. Use a variety of techniques (visuals, work sheets, discussion) to make key points.
- Provide calculators, note pads and pencils so participants can complete work sheets. Have facilitators ready to “circulate” and help people.

- Arrange for tours and field trips to talk with a variety of financial institutions — or hold a “reverse field trip” where representatives from financial institutions come to your program.
- Offer opportunities for participants to talk with you or others, including volunteers, during one-on-one sessions in person or via the phone.
- Work with at least one collaborator in your community.
- Develop a comprehensive curriculum targeted to the needs of your audience.
- Use appropriate fact sheets provided in this guide along with other appropriate resources listed in Section 5. Order materials or arrange to duplicate materials well ahead of the meeting.
- Consider developing a “certification program” in cooperation with local financial institutions. Each participant would receive a certificate after completing your course or program. The financial institution recognizes the certificate as documentation in the account application process.

Getting the Word Out

Meetings

You may want to work with existing groups such as faith-based organizations, tenants councils, Head Start parents or Senior Citizens Councils. You and your collaborators and partners may want to work on recruiting your own audience and holding your own meetings.

You can also spread the word through local organizations who may work with people in your target audience. You may want to plan a presentation for civic organizations such as Rotary or Kiwanis, the local clergy association, or groups who work with social service clientele.

Media

If you hold a meeting, make sure to invite a local reporter to cover the event. You can also place Public Service Announcements (PSAs) on local TV stations, community access cable programs, radio stations and in local and regional papers.

4.2 Delivering the Program

Many local community access cable stations may provide you and your collaborators and partners an opportunity to host a panel discussion or call-in show on Direct Deposit. Be sure to obtain a copy of the tape so you can use parts of it in other presentations you do, and make it available to others who may have missed the presentation.

Prepare brief articles for local newsletters, and work with the agencies and organizations who sponsor those newsletters to customize these articles for their readers. You may want to use some of the consumer fact sheets included in this guide as material for these articles.

You may find a local celebrity who is willing to do promotions for you. However, experience with some limited resource audiences indicates that they like to hear from someone like themselves who knows what they are going through and who has a success story to share. Identify key community leaders who have “success stories” with Direct Deposit, and invite them to be involved.

People like to hear from someone like themselves who knows what they are going through and who has a success story to share. Identify key community leaders who have “success stories” with Direct Deposit, and invite them to be involved.

Mailings

Direct mail can be an effective outreach tool, both for recruiting participants and for informing people who will be affected by EFT 99. Be sure to check with the regional U.S. Department of the Treasury centers to coordinate any efforts.

Training — Trainer and Volunteer

Some community agencies and organizations have staff who work with benefit recipients on a regular basis. You may want to host a train-the-trainer session to teach people how best to work with their clients on this topic.

Many consumers will feel overwhelmed by the choices and decisions they are confronted with as part of EFT 99 (including choosing a deposit account). You may want to recruit and train volunteers to work one-on-one with recipients who are deciding which option is best for them.

Key Messages for the EFT 99 Campaign (pending final regulation)

The key message for federal check recipients with respect to EFT 99 is that they have options and choices. Federal agencies will be required to notify all current check recipients of all options regarding the EFT 99 requirement, including:

- Signing up for the Direct Deposit program if they already have an account
- Opening an account with a financial institution and signing up for Direct Deposit
- Waiting for more information later in 1998 about a new low cost account
- Requesting a waiver

Regardless of which choice the recipient makes, the U.S. Department of the Treasury has stated that no payments will be delayed or withheld because of EFT 99. All payment recipients will continue to receive their check unless and until they give instructions to have payments made by Direct Deposit into an account of their choice.

Please note: When the final EFT 99 regulation is published (expected in late summer 1998), additional EFT 99 information will be provided to you.

Sample Agendas

I. One 20-Minute Presentation

- A. Customize your presentation to the needs and learning styles of your audience. Start by determining who is in the audience and what they already know about financial services. You can ask for a quick show of hands from people who have accounts, who have Direct Deposit, who had accounts previously but don't now, and who have heard of Direct Deposit, etc.
- B. Begin with a brief explanation of what Direct Deposit is and what it will mean to them. See Section 6 for ideas and information to include in this segment of the presentation. Don't assume that because the audience has heard of Direct Deposit, everyone knows the correct information about the program. One of the goals is to help dispel myths and misinformation.

- C. Discuss reasons for becoming involved in the financial mainstream: The purpose of this program is to help people make good decisions (or at least to prevent them from making bad ones). Try to dispel the negative issues that people may have raised (the government is making me do this), and address the positive outcomes (savings and safety). Select one of the consumer fact sheets (*Direct Deposit Saves Time*) for a handout.

Make copies of the fact sheets and sample materials as needed.

You may even want to do a survey of accounts offered by institutions in your community and prepare a handout with a comparison of features and fees. You may want to include institutions in both the financial mainstream (banks, savings and loans, credit unions) and alternatives (check cashers, grocery stores, money transfer offices). Be sure your survey is as comprehensive as possible.

- D. Explain that not all financial services and accounts are the same. Review some of the key options, account features and types of fees that the audience may encounter as they shop for financial services. Select some of the consumer fact sheets (*Choosing a Financial Institution, Choosing a Deposit Account*) for handouts.
- E. Help the audience identify some key questions to ask when shopping for savings and/or checking accounts. Use the consumer fact sheets and other handout materials to support this activity.
- F. Talk about where the audience can go to get more information. Provide a local resource list of agencies and other organizations that can help.

Do a survey of accounts offered by institutions in your community and prepare a handout with a comparison of features and fees.

II. A Two-Part Series — 20 to 30 Minutes Per Session

Session 1

- A. Begin with a brief explanation of what Direct Deposit is and what it will mean to them. See Section 6 for ideas and information to include in this segment of the presentation. Don't assume that because the audience has heard of Direct Deposit, everyone knows the correct information about the program. One of the goals is to help dispel myths and misinformation.
- B. Discuss reasons for becoming involved in the financial mainstream: The purpose of this program is to help people make good decisions

(or at least to prevent them from making bad ones). Try to dispel the negative issues that people may have raised (the government is making me do this), and address the positive outcomes (savings and safety). Select one of the consumer fact sheets (*Direct Deposit Saves Time*) for a handout.

- C. Explain that not all financial services and accounts are the same. Bring in a broad range of sample brochures from financial institutions in your community, and have participants identify the key options, account features and types of fees that they may encounter as they shop for financial services. Select one of the consumer fact sheets (*Choosing a Financial Institution*) for handouts.

You may even want to do a survey of accounts offered by institutions in your community and prepare a handout with a comparison of features and fees. You may want to include institutions in both the financial mainstream (banks, savings and loans, credit unions) and alternatives (check cashers, grocery stores, money transfer offices). Be sure your survey is as comprehensive as possible. This will help consumers compare costs in the mainstream and alternative financial sectors.

- D. Help the audience identify some key questions to ask when shopping for a savings and/or checking account. Use the consumer fact sheet (*Choosing a Deposit Account*) and other handout materials to support this activity.
- E. Talk about where the audience can go to get more information. Provide a local resource list of agencies, organizations and firms that can help. Have the participants “go shopping” for an account as a homework assignment, but encourage them to wait until after the second session before signing up for any account.

Session 2

- A. Have participants share experiences in shopping for accounts.
- B. Review the key features, options and fees that participants encountered. Compare the features and fees of checking versus savings accounts.

- C. Discuss how to use ATM and debit cards. Select some of the consumer fact sheets — *Automated Teller Machines (ATMs), Debit Cards* — for handouts.
- D. Discuss how to manage an account once you've opened it. Select one of the consumer fact sheets (*Using Deposit Accounts*) for a handout, and review it.
- E. Role play (with a volunteer from among the participants) what happens when you open an account.
- F. Demonstrate how to write a check, endorse a check, fill out a deposit slip and balance a checkbook.
- G. Talk about where the audience can go to get more information. Provide a local resource list of agencies, organizations and firms that can help.

III. A Four-Part Series — 20 to 30 Minutes Each

Session 1

- A. Begin with a brief explanation of what Direct Deposit is and what it will mean to them. See Section 6 for ideas and information to include in this segment of the presentation. Don't assume that because the audience has heard of Direct Deposit, everyone knows the correct information about the program. One of the goals is to help dispel myths and misinformation.
- B. Discuss reasons for becoming involved in the financial mainstream: The purpose of this program is to help people make good decisions (or at least to prevent them from making bad ones). Try to dispel the negative issues that people may have raised (the government is making me do this), and address the positive outcomes (savings and safety). Select one of the consumer fact sheets (*Direct Deposit Saves Time*) for a handout.
- C. Explain that not all financial services and accounts are the same. Bring in a broad range of sample brochures from financial institutions in your community, and have participants identify the key options, account features and types of fees that they may

encounter as they shop for financial services. Select one of the consumer fact sheets (*Choosing a Financial Institution*) for a handout.

You may even want to do a survey of accounts offered by institutions in your community and prepare a handout with a comparison of features and fees. You may want to include institutions in both the financial mainstream (banks, savings and loans, credit unions) and alternatives (check cashers, grocery stores, money transfer offices). Be sure your survey is as comprehensive as possible. This will help consumers compare costs in the mainstream and alternative financial sectors.

Help the audience identify some key questions to ask when shopping for a savings and/or checking account.

- D. Help the audience identify some key questions to ask when shopping for a savings and/or checking account. Use the consumer fact sheet (*Choosing a Deposit Account*) and other handout materials to support this activity.
- E. Talk about where the audience can go to get more information. Provide a local resource list of agencies, organizations and firms that can help. Have the participants “go shopping” for an account as a homework assignment, but encourage them to wait until after the sessions before signing up for any account.

Session 2

- A. Have participants share experiences in shopping for accounts.
- B. Review the key features, options and fees that participants encountered. Compare the features and fees of checking versus savings accounts.
- C. Role play (with a volunteer from among the participants) what happens when you open an account.
- D. Discuss how to write a check and add money to the account once you’ve opened it. Select a consumer fact sheet (*Using Deposit Accounts*) for a handout, and review it.
- E. Demonstrate how to write a check, endorse a check and fill out a deposit slip.

- F. Talk about where the audience can go to get more information. Provide a local resource list of agencies, organizations and firms that can help.

Session 3

- A. Discuss how to use ATM and debit cards. Select some of the consumer fact sheets — *Automated Teller Machines (ATMs)*, *Debit Cards* — for handouts.
- B. Discuss how to manage an account once you've opened it. Select the consumer fact sheet (*Using Deposit Accounts*) for a handout.
- C. Demonstrate how to balance a checkbook. Prepare some case studies and let participants practice balancing an account.
- D. Discuss some of the differences between checking and savings accounts.
- E. Talk about where the audience can go to get more information. Provide a local resource list of agencies, organizations and firms that can help.

Session 4

- A. Review information presented in the past sessions and give participants a chance to share some of their experiences.
- B. Review some of the consumer protection laws that apply to checking and savings accounts (use *Frequently Asked Questions* consumer fact sheet and information in Appendix C for background information).
- C. Discuss the steps you would take to resolve a problem and how to write a letter when you have a problem. Use the sample letter in the Consumer Resource Handbook as a guide (copies of sample complaint letters are provided in Appendix A).
- D. Develop a case study in which a consumer has a problem with his/her account. Have each participant write a letter that the consumer could send to the financial institution.
- E. Talk about where the audience can go to get more information. Provide a local resource list of agencies, organizations and firms that can help.

Evaluation

Evaluations can document program effectiveness, point out places where additional information is needed, and help you further refine and develop your materials and presentations to meet audience needs.

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Some types of evaluations from participants help you design and develop your programs based on participant needs. Needs assessments are one example of this type of evaluation, as are pre-program surveys. For example, an initial oral or written poll of participants can be used to see what areas they are most interested in and what myths they have. Data can be collected and used as a base to see how they respond at the end, to modify future programs, as well as for teaching purposes to increase involvement.

Most programs conduct evaluations as part of their final sessions. These summary evaluations measure participants' perceptions of the quality of the program, knowledge and skills gained, actions planned and attitudes changed. Typically, participants are asked for their perceptions based on reflections of knowledge levels before the program and whether the change in their knowledge will influence their decision-making. These types of evaluations are more limited and do not produce adequate evidence of program results because questions focus on perceptions and can involve memory loss or distortion.

Longer-range follow-up evaluations can measure the impact of your program. Impact evaluations not only can measure knowledge retained but also can track behavior changes in terms of actions taken (versus planned). Few programs have the resources to conduct these follow-up impact evaluations because they require tracking the participants and solicit fairly personal information on financial services. However, impact evaluations may be of interest to some collaborators and partners who want to know if their programs are effective. They can look for outcome measures such as not overdrawing accounts, maintaining a balanced checkbook, and having lower costs for accounts and check cashing.

In addition to participant surveys (whether for program development, summary or impact), you may want to conduct an evaluation of the collaborative arrangements among the cooperators.

Sample Questions for Evaluations

The evaluation questions you ask will depend, in part, on which fact sheets you use with participants and what topics you cover. We have provided you with a broad range of sample questions you may want to use in your evaluations. We have also included ideas for introducing the evaluation and for thanking the participants at the end of the questionnaire. Finally, we have provided you a sample evaluation for a basic presentation.

You may want to explore alternative ways to conduct this evaluation. For example, with low literacy audiences, you can read the evaluation questions and ask for a show of hands for the different responses.

Sample Introduction to the Evaluation

Before you leave here today, we'd like to ask your opinion on the program — how well we did, what you learned and how we can improve this program for others. Please take a few minutes to give us your opinions and ideas. Thank you.

Sample Questions

How did you hear about this program?

- Poster/Flyer
- Friend/Relative
- Newspaper
- TV/Radio
- At an organizational meeting (i.e. house of worship, club, etc.)
- Other_____

What is your primary reason for attending?

- Concerned about EFT 99
- Want to open an account
- Want to learn how to use a bank
- Confused about my current account
- Considering changing my account
- Other_____

Do you have an account with a financial institution now?

- Yes
- No

If you do have an account, what type of account do you have? *(Check all that apply.)*

- Simple checking account
- Savings account
- Money market account
- Interest checking account
- Other

If you don't have an account now, have you ever had an account before?

- Yes
- No

If you don't have an account, why not? *(Check all that apply.)*

- Not enough income to need an account
- Too expensive
- Don't trust banks
- Other_____

Had you heard about Direct Deposit before this class?

- Yes
- No

If yes, where did you hear about it? *(Check all that apply.)*

- National news (TV, Radio, Newspaper, etc.)
- Newsletter
- Friend or relative
- Place that cashes my checks now

In general, has this program taught you more about Direct Deposit?

- Yes
- No

In general, has this program given you a better understanding of the different kinds of financial services?

_____ Yes

_____ No

Circle the number that best fits your feeling about each of the following statements.

1 = Strongly Disagree 2 = Disagree 3 = No Opinion 4 = Agree 5 = Strongly Agree

As a result of this program:

1) I understand the different kinds of financial institutions (banks, savings and loans, credit unions, etc.).

1 2 3 4 5

2) I see the benefits of using an insured financial institution.

1 2 3 4 5

3) I understand how to choose an institution.

1 2 3 4 5

4) I understand the different kinds of accounts.

1 2 3 4 5

5) I understand how to open an account.

1 2 3 4 5

6) I understand what a debit card is and how to use one.

1 2 3 4 5

7) I understand the benefits of Direct Deposit.

1 2 3 4 5

8) I understand how to use an ATM card.

1 2 3 4 5

9) I know how to deal with problems with an account (lost card, mistakes, etc.).

1 2 3 4 5

10) I know how to cash, deposit and write a check.

1 2 3 4 5

11) I know how to keep checking account records.

1 2 3 4 5

12) I know how to keep savings account records.

1 2 3 4 5

How much do you estimate that you spend right now each month to get cash and pay bills (check cashing fees, money order fees, etc.)?

\$_____

As a result of this program, how much do you expect to spend on these financial services (checking account fees, etc.)?

\$_____

Using the scale below, how would you rate the teacher?

1 = Very Poor 2 = Poor 3 = Fair 4 = Good 5 = Excellent

1) The teacher answered my questions.

1 2 3 4 5

2) The teacher helped me to join in the class discussion.

1 2 3 4 5

3) The teacher talked about the pros and cons of having an account.

1 2 3 4 5

Using the same scale how would you rate:

1) The day for the program.

1 2 3 4 5

2) The time of day for the program.

1 2 3 4 5

3) The meeting/class location.

1 2 3 4 5

4) The child/dependent care.

1 2 3 4 5

As a result of this program what do you think you will do?

_____ Wait for more information

_____ Change financial institutions

_____ Sign up for Direct Deposit

_____ Open an account

_____ Won't do anything

_____ Other_____

As a result of this program, do you feel you can save money by having a bank account?

- Yes
 No

Where will you get information about opening an account? (*Check all that apply.*)

- Bank
 Savings & Loan
 Credit Union
 Friend or relative
 Pawn Shop
 Check Casher
 Other _____

What type of account do you think you will open? (*Check all that apply.*)

- Checking
 Savings
 Other _____

What other topics would you like to cover in a future financial education program?

- Savings Accounts and Certificates of Deposit
 Mutual Funds and Other Investments
 Shopping for a Mortgage
 Credit Cards
 Other _____

What did you like best about this program?

How could this program be improved?

What else would you like to tell us about this program?

Sample Closing of the Evaluation

Thank you for giving us your thoughts. These ideas can help us improve our program for others.

A ready-to-copy evaluation form is provided for you in Appendix E. However, we encourage you to customize your evaluation based on your presentations.

Section 5. Resources

Resources

No consideration to order has been given and no endorsement is implied. Mention or display of a trademark, proprietary product, or firm in the text or figures does not constitute an endorsement and does not imply approval to the exclusion of other suitable products or firms. Information is current as of publication date.

I. Fact Sheets Included in This Guide

- Direct Deposit Saves Time
- Choosing a Financial Institution
- Choosing a Deposit Account
- Using Deposit Accounts
- Automated Teller Machines (ATMs)
- Debit Cards
- Frequently Asked Questions
- Glossary

II. List of Resources from Federal Government Agencies and Other National Organizations

Consumer Resource Handbook. Includes the names, addresses, telephone numbers and electronic addresses of corporations, trade groups, state and local consumer offices, and federal agencies. Available from the Consumer Information Center, Pueblo, CO 81009 • <www.pueblo.gsa.gov>.

Consumer Information Catalog. Available from the Consumer Information Center, Pueblo, CO 81009 • <www.pueblo.gsa.gov>.

Credit Union National Association Publications Catalog. Available from CUNA, 5710 Mineral Point Rd., Madison, WI 53705 (or call 1-800-356-9655) • <www.cuna.org/data/cu/services/publications/pubs.html>.

Debit Cards: Beyond Cash & Checks and **Community Credit Link.** Available from National Consumers League, 1701 K St., N.W., Suite 1200, Washington, DC 20006 (or call 1-800-639-8140) • <www.natlconsumersleague.org>.

A Smart New Way to Pay: What Savvy Consumers Need to Know about Debit Cards. Available from Call For Action, Inc., 5272 River Rd., Suite #300, Bethesda, MD 20816 (or call 1-800-647-1756).

Financial Management Service, U.S. Department of the Treasury. Pamphlets, posters and promotional materials are available.

Request an order form from Financial Management Service, Attn: Product Promotion Division, 401 14th St., S.W., Room 318, Washington, DC 20227 (or fax order to 202-874-7321) • <www.fms.treas.gov/eft>.

Best Sellers. Consumer Response Center, Federal Trade Commission, Washington, DC 20580 (or call 202-326-2222 TDD: 202-326-2502) • <www.ftc.gov/bcp/online/online.htm>.

FDIC Consumer News. Subscriptions are available free of charge. Send request for subscription to: FDIC Public Information Center, 801 17th Street, N.W., Room 100, Washington, DC 20434. Phone 1-800-276-6003 or 202-416-6940; E-mail address is <publicinfo@fdic.gov>, or via Internet • <www.fdic.gov/consumer/consnews>.

Federal Reserve System Publications. Order from the Reserve Banks listed or from the Federal Reserve Board. See addresses and phone numbers in Section 6, Appendix B. In general, there is no charge for up to 50 copies; postage and handling may be charged for more than 50 copies.

Federal Reserve Bank of Boston: *Checks to Cash, Check Rights, Checkpoints, Right Checks*

Federal Reserve Bank of Philadelphia: *Options for Depositors, Electronic Banking for Today's Consumer*

Federal Reserve Bank of Atlanta: *Checkbooklet*

Federal Reserve Bank of Chicago: *Electronic Money*

Federal Reserve Bank of Dallas: *Direct Deposit - A Consumer's Guide, A Day in the Life of a Check* (video)

Federal Reserve Board: *A Consumer's Guide to Direct Deposit, Making Deposits — When Will Your Money Be Available?, Making Sense of Savings, How to File a Consumer Complaint About a Bank*

Social Security Administration. Contact your local Social Security office or access via the Social Security Web site • <www.ssa.gov/pubs>.

III. Cooperative Extension Financial Services Resources

“Using a Checking Account to Manage Your Money,” University of Arkansas. Developed to teach basics of choosing and using a checking account. Includes information on how to open a checking account, write and endorse checks, use a checkbook register, read and reconcile a bank statement, and what to do with information related to checking accounts. Check, signature card and check register work sheets are included. To order, send \$5.00, payable to the University of Arkansas, to: Wanda Shelby, Southeast Research and Extension Center, P.O. Box 3508, Monticello, AR 71656-3508. Contact Wanda Shelby • <shelby@uamont.edu>.

“Financial Fitness,” University of California-Riverside. Contact Karen Varcoe, University of California-Riverside, 139 Highlander Hall, Riverside, CA 92521, 909-787-5241, 909-787-7251 (FAX) • <karen.varcoe@ucr.edu>.

“Banking Your Dollars,” University of Florida (also in Spanish). Contact Nayda Torres, University of Florida, P.O. Box 110310, 3001 McCarty Hall, Gainesville, FL 32611-0130, 352-392-1778, 352-392-8196 (FAX) • <nit@gnv.ifas.ufl.edu>.

“Using Your Electronic Benefits Transfer (EBT) Card,” University of Idaho. Contact Linda Kirk Fox, University of Idaho, 103A Family & Consumer Sciences, Moscow, ID 83844-3188, 208-885-5778, 208-885-5751 (FAX) • <lfox@uidaho.edu>.

“All My Money,” University of Illinois-Urbana-Champaign. A money management and consumer skills curriculum. Each of the eight lessons includes background information for the trainer, lesson plans, handouts and other instructional materials. Topics include credit, consumer skills and managing a checking account. Publication #ACE3. Cost: \$75.00, plus shipping charges; discounts available. Call Cyndi Moore, M-F, 8 a.m.–5 p.m., CST, 1-800-345-6087 to order. Payment must include shipping charges. Contact Vicki Fitzsimmons • <vicki@uiuc.edu>.

“Selecting Banking Institutions and Services,” University of Maryland. Contact Patricia Tengel, University of Maryland, 4321 Hartwick Road, Suite 209, College Park, MD 20740-3210, 301-403-4146, 301-403-4154 (FAX) • <pt4@umail.umd.edu>.

“Learning for Better Living Series,” University of Missouri-Columbia. A set of 14 bilingual, limited literacy guides. Order by calling 1-800-292-0969. Contact Brenda Procter • <procterb@ext.missouri.edu>.

“Money Management Adviser Curriculum,” Washington State University Cooperative Extension, 7612 Pioneer Way E., Puyallup, WA 98371-4998.

“Getting and Keeping A Checking Account,” University of New Hampshire. Contact Suzann Knight, University of New Hampshire, 110B Pettee Hall, 55 College Road, Durham, NH 03824-3599, 603-862-0092, 603-862-0107 (FAX) • <suzann.knight@unh.edu>.

“Building an Understanding of Credit Services (BUC\$),” Cornell University. Contact Barbara Bristow, Cornell University, 133 Martha Van Rensselaer Hall, Ithaca, NY 14853-4401, 607-254-5282, 607-255-0799 (FAX) • <bjb4@cornell.edu>.

“Financial Fitness: Build Your Savings,” Cornell University. Also available in Spanish. Contact Barbara Bristow, Cornell University, 133 Martha Van Rensselaer Hall, Ithaca, NY 14853-4401, 607-254-5282, 607-255-0799 (FAX) • <bjb4@cornell.edu>.

“Financial Fitness: Shape Up Your Spending,” Cornell University.

Also available in Spanish. Contact Barbara Bristow, Cornell University, 133 Martha Van Rensselaer Hall, Ithaca, NY 14853-4401, 607-254-5282, 607-255-0799 (FAX) • <bjb4@cornell.edu>.

“Keys to Successful Money Management: Emergency Savings

Accounts,” Oklahoma State University. Contact Glennis Couchman, Oklahoma State University, 323A HES-FRCD, Stillwater, OK 74078-0337, 405-744-6282, 405-744-7113 (FAX) • <glennis@okway.okstate.edu>.

“Paying Family Bills,” Oregon State University. Includes information on check writing, balancing a checkbook, endorsing a check, and other methods of payment including cash, cashier’s checks, personal and postal money orders, and electronic funds transfers. Order from: Publication Orders, Extension and Station Communications, Oregon State University, 422 Kerr Administration, Corvallis, OR 97331-2119. FAX: 541-737-0817. You may order up to six without charge. If you request seven or more, include 25 cents for each publication beyond six. Discounts are given on orders of 100 or more. Please call 541-737-2513 for price quotes. Contact Alice Morrow • <morrowa@ccmail.orst.edu>.

“Checking Accounts: Which is Best for You?” Clemson University.

Contact Joyce Christenbury, Clemson University, 249 P&AS Building, Clemson, SC 29634-0315, 864-656-5714, 864-656-5723 (FAX) • <jchrstn@clemson.edu>.

“Managing Change in Banking and Personal Banking Needs,” Texas

A&M University. Contact Lynn White, Texas A&M University, 305 History Building, College Station, TX 77843-2251, 409-845-3850, 409-845-6496 (FAX) • <lb-white@tamu.edu>.

“Dollar Sense,” University of Wisconsin. A collection of 31 easy-to-read

single-concept fact sheets. Can be downloaded from

<www.uwex.edu/ces/nutrition/dollarfact.html>.

IV. Consumer Action Resources

Order from Consumer Action's National Consumer Resource Center, 717 Market Street, Suite 310, San Francisco, CA 94103 (FAX orders to 415-777-5267) • <www.consumer-action.org>. Please note language availability (English, Spanish, Chinese, Korean, Vietnamese).

“A Trainer’s Guide on Why & How to Use Banks.” Produced by the Legal Aid Foundation of Los Angeles, 1992. Twenty-two-page instructor’s manual in English.

A manual for instructors to help them prepare money management workshops for consumers. Complements the consumer’s manual, *“Banking Basics: A Community Banking Guide.”* Structured in a question-and-answer format, based on the questions the Legal Aid Foundation has encountered most often in the dozens of banking training sessions it has conducted for low-income consumers.

“Banking Basics: A Community Banking Guide.” Produced by the Legal Aid Foundation of Los Angeles, 1992. Fifteen-page consumer’s manual in Chinese, English, Korean, Russian, Spanish and Vietnamese.

A manual for consumers attending a money management workshop, emphasizing how to shop for, open and use a bank account. Complements the instructor’s manual, *“A Trainer’s Guide on Why & How to Use Banks.”* Discusses the advantages of having a bank account and problems with check cashing establishments. Includes a section explaining credit and loans.

“Banking Basics: Checking Account Check List.” Produced by the Community Service Center for the Disabled, 1993. Brochure in Chinese, English, Korean, Russian, Spanish and Vietnamese.

An illustrated brochure explaining how to open a checking account. Explains different kinds of accounts and their fees, check processing, automatic deposit and bill paying and ATM/debit cards. Includes a section discussing the importance of consumers establishing personal relationships with their banks.

“Banking Education Project.” Produced by the Union of Pan Asian Communities, 1990. Twenty-six-page consumer’s manual in Chinese, English, Korean, Russian, Spanish and Vietnamese.

A manual for consumers attending a money management workshop. Complements the instructor’s manual, *“Southeast Asian Finance Education Training Manual.”*

“Banking Skills (A Training Manual for Tutors).” Produced by the San Diego County Literacy Network, 1990. Fifty-page instructor’s manual in English.

A manual for instructors to help them prepare money management workshops for consumers. Written for literacy instructors working with students who are non-English-speaking or have limited reading ability in English. Complements the consumer’s packet, *“Supplementary Activities Packet for Banking Skills.”* The manual focuses on five main areas: checking accounts, electronic services (ATMs), savings accounts, loans and credit cards.

“Mas Vale Prevenir Que Lamentar (It’s Better to Prevent than Lament).” Produced by the California Rural Legal Assistance Foundation, 1991. Four-page comic book in Spanish.

An illustrated story involving two friends and a dog, explaining how it is much safer to open a bank account to deposit paychecks and other money, rather than keeping it at home and risking robbery.

“Southeast Asian Finance Education Training Manual.” Produced by the Union of Pan Asian Communities, 1991. Eighty-four-page instructor’s manual in English.

A manual for instructors to help them prepare money management workshops for consumers. Written for instructors training Southeast Asian refugees, it contains information applicable to financial workshops for all consumers. Complements the consumer’s manual, *“Banking Education Project.”* Describes differences in banking practices between American banks and those of other nations.

“Successful Saving and Investment.” Produced by the Community Service Center for the Disabled, 1993. Brochure in Chinese, English, Korean, Russian, Spanish and Vietnamese.

An illustrated brochure explaining the difference between saving and investing money. Describes banks, savings and loans, credit unions, and other financial institutions. Also describes Certificates of Deposit, money market accounts, U.S. Savings Bonds, company plans, IRA funds and Keogh plans.

“Supplementary Activities Packet for Banking Skills.” Produced by the San Diego County Literacy Network, 1993. Twenty-page consumer’s packet of materials in English.

An illustrated collection of student activities for consumers attending money management workshops. Complements the lessons in the literacy instructor’s manual, *“Banking Skills (A Training Manual for Tutors).”* Includes games, puzzles and group activities, all designed to teach banking skills to students who are non-English-speaking or have limited reading ability in English.

V. Internet Resources

General Web Sites:

Banking & Financial Services Web Directory

<www.orcc.com/banking.htm>

Consumer Action

<www.consumer-action.org>

Consumer Information Center*

<www.pueblo.gsa.gov>

Consumer World Web Directory

<www.consumerworld.org/pages/resource.htm>

Cooperative State Research, Extension and Education System,

U.S. Department of Agriculture*

<www.reeusda.gov>

Credit Union National Association, Inc.*

<www.cuna.org>

Federal Deposit Insurance Corporation*

<www.fdic.gov/consumer/index.html>

Federal Reserve Board*
 <www.bog.frb.fed.us/>

Federal Trade Commission*
 <www.ftc.gov>, then click on *News Releases, Publications, and Speeches*
 <www.consumer.gov>, then click on *Your Money*
 <www.ftc.gov/bcp/conline/conline.htm>

Financial Management Service, U.S. Department of the Treasury*
 <www.fms.treas.gov/eft>

Independent Bankers Association of America
 <www.ibaa.org>

Jump\$tart Coalition for Personal Financial Literacy
 <www.jumpstartcoalition.org/menu.html>

National Association for the Advancement of Colored People
 <www.naacp.org>

National Association of Community Action Agencies
 <www.nacaa.org/index.htm>

National Association of Federal Credit Unions*
 <www.nafcu.org>

National Community Reinvestment Coalition*
 <www.ncrc.org>

National Congress for Community Economic Development
 <www.ncced.org>

National Consumers League*
 <www.natlconsumersleague.org>

National Credit Union Administration
 <www.ncua.gov>

National Foundation for Consumer Credit*
 <www.nfcc.org>

National Institute for Consumer Education
 <www.emich.edu/public/coe/nice/nice.html>

National Urban League
 <www.nul.org>

Railroad Retirement Board
 <www.rrb.gov>

Social Security Administration
 <www.ssa.gov>

Veterans Affairs
 <www.va.gov>

**Member of the Financial Services Education Coalition.*

How To Select a Financial Institution:

<www.aba.com/abatool/showme_rel.html?location=Finding_Bank.htm>
 <www.cuna.org/data/whatis/join/sixways.html>
 <www.emich.edu/public/coe/nice/compare.html>
 <www.fdic.gov/consumer/ratings.html>
 <www.fdic.gov/publish/bankrank.html>

Electronic Banking Web Sites:

<www.emich.edu/public/coe/nice/Electronmo.html>
 <www.emich.edu/public/coe/nice/rlece1.html>

Consumer Protection:

<www.aarp.org/programs/consumer/home.html>
 <www.bog.frb.fed.us/>
 <www.cuna.org/data/consumer/advice/advice.html>
 <www.fdic.gov/consumer/fdiccr.html>
 <www.ftc.gov>
 <www.pueblo.gsa.gov>
 <www.quicken.excite.com/banking_and_borrowing/articles/876680550_20398>

Financial Industry Products:

<www.bbb.org/library/cds.html>
 <www.fdic.gov/consumer/pubs/yi/index.html>
 <www.pueblo.gsa.gov/cic_text/money/sense.htm>
 <www.quicken.excite.com/banking_and_borrowing/articles/876686641_21198>

Managing Your Accounts:

<www.aba.com/abatool/showme_rel.html?location=ATM_Safety>
 <www.aba.com/abatool/showme_rel.html?location=Work_Better.html>
 <www.bbb.org/library/debitcard.html>
 <www.cuna.org/data/consumer/advice/advice.html>
 <www.emich.edu/public/coe/nice/finrec.html>
 <www.pueblo.gsa.gov/cic_text/money/calmanac.htm>
 <www.pueblo.gsa.gov/cic_text/money/shop-atm.txt>

Section 6. Appendices

Appendix A. Sample Complaint Letters

Sample Complaint Letter from “How to Right a Wrong” (AARP and FTC publication)

*Your Address
City, State, ZIP Code
Date*

*Complaint Department
Name of Company or Organization
Address
City, State, ZIP Code*

Dear Sir or Madam:

I am writing about *(describe the product including account number, service, issue, law or event)*.

I have had trouble with it because *(describe problem briefly; also include any dates and locations)*. Enclosed please find *(copies of statements, canceled checks, receipts, etc.)*.

I thought you would like to know of my dissatisfaction and *(state previous efforts; identify the consumer protection agency to which you are sending a copy of the letter)*.

I look forward to your reply within the next 30 days explaining what you intend to do about my problem.

Sincerely,

Your Name

Enclosures
cc: *Names of organizations receiving copies of your letter*

Writing a letter lets the company know you are serious about pursuing your complaint.

A business may ignore your complaint until it sees something in writing.

Sample Complaint Letter from Consumer's Resource Handbook

**Things to include
in your Letter**

1. Account number

**2. Include date and
location**

3. State problem

4. Give history

**5. Ask for
specific action**

**6. Enclose copies
of documents**

**7. Allow time
for action**

**8. State how you can
be reached**

**Keep copies of your
letter and related
documents.**

*Your Address
Your City, State, ZIP Code
Date*

*Name of Contact Person, if available
Title, if available
Company Name
Consumer Complaint Division, if you have no contact person
Street Address
City, State, ZIP Code*

Dear (Contact Person):

Re: (Account number)

On (date), I (used an ATM, had a Direct Deposit, etc.) at (location, date and other important details of the transaction).

Unfortunately, the service was inadequate because (state the problem). I am disappointed because (explain the problem: for example the service was not performed correctly, I was billed the wrong amount, something was not disclosed clearly or was misrepresented, etc.).

To resolve the problem, I would appreciate (state the specific action you want: money back, credit to your account, etc.). Enclosed are copies (do not send originals) of my records (include receipts, canceled checks and any other documents).

I look forward to your reply and a resolution to my problem, and will wait until (set a time limit) before seeking help from a consumer protection agency or the Better Business Bureau. Please contact me at the above address or by phone at (home and/or office numbers with area codes).

Sincerely,

Your Name

*Enclosure(s)
cc: Reference to whom you are sending a copy of this letter, if anyone.*

Appendix B. Contact Information for Agencies and Organizations

Contact Information for Agencies and Organizations

Potential Partnering Organizations Listed in Section 2

Regional or State Offices of AARP

Look in the white pages of your phone book or on the Internet for locations and phone numbers • <www.aarp.org/office/field.html>.

ARC (formerly Association for Retarded Citizens)

Look in the white pages/business pages of your phone book.

State or Local Area Agency on Aging

See the section on state agencies on aging in the *Consumer Resource Handbook* • <www.pueblo.gsa.gov>.

National, Regional or Local Automated Clearing House Association

Look in the Yellow Pages under *Automated Clearing House* or on the Web • <www.nacha.org> and <www.nacha-info/reg-ach-contacts.htm>.

Civic Organizations, such as Rotary, Kiwanis and the Chamber of Commerce

Look in white pages/business pages of your local phone book.

Local Affiliates of the National Foundation for Consumer Credit (Local affiliates are often known as Consumer Credit Counseling Service)

Call 1-800-388-2227 for information on the office nearest you or go to the Web site • <www.nfcc.org/help/locator.html>.

State and Local Consumer Affairs/Consumer Protection Office

See the section on state, county and city government consumer protection offices in the *Consumer Resource Handbook* • <www.pueblo.gsa.gov>. Also look in the government listings (blue pages) of your local phone book.

State and Local Consumer Groups

Look in the white pages in your phone book under *Consumer*; or visit the Consumer Federation of America Web site • <www.stateandlocal.org>.

State and Local Community Action Agencies

Local affiliates of the National Association of Community Action Agencies.
Call 202-265-7546 or visit the Web site • <www.nacaa.org/index.htm>.

Cooperative Extension System Offices

Look in the government listings (blue pages) under the name of the county or the name of your state's land grant university •
<www.reeusda.gov/statepartners/usa.htm>.

Other Types of Organizations

Look in the white pages under the names of the community organizations that specifically deal with issues and concerns of various ethnic groups in your community. Some groups have local chapters listed on their Web sites. For example:

Hispanic, Latino, Chicano communities:

<www.laraza.com>

<www.hispanicbiz.com/has.htm>

<www.sahcc.org>

<www.latinolink.org>

Asian American communities:

<asianinc.org>

<[www.yahoo.com/text/Society_and_Culture/Cultures_and_Groups/Cultures/
Korean/Korean_American/Organizations/](http://www.yahoo.com/text/Society_and_Culture/Cultures_and_Groups/Cultures/Korean/Korean_American/Organizations/)>

<[www.yahoo.com/text/Society_and_Culture/Cultures_and_Groups/Cultures/
Chinese/Chinese_American/Organizations/](http://www.yahoo.com/text/Society_and_Culture/Cultures_and_Groups/Cultures/Chinese/Chinese_American/Organizations/)>

To find information on other types of organizations on the Web, go to
<www.yahoo.com/text/Society_and_Culture/Cultures_and_Groups/Cultures>
and locate the nationality or ethnic group from those listed.

Headquarters and Regional Offices of the Federal Deposit Insurance Corporation (FDIC)

FDIC Consumer Affairs Call Center
1-800-934-3342
TDD 1-800-925-4618
<www.fdic.gov>

Bobbie Jean Norris
National Community Affairs Coordinator
FDIC's Community Affairs Program
550 17th Street, N.W.
Washington, DC 20429
202-942-3090

FDIC's Community Affairs Officers

James F. Pilkington
Community Affairs Officer
Federal Deposit Insurance Corporation
Suite 1600, One Atlantic Center
1201 West Peachtree St., N.E.
Atlanta, GA 30309-3449
404-817-2515

Shirley Parish
Community Affairs Officer
Federal Deposit Insurance Corporation
15 Braintree Hill Office Park, Suite 100
Braintree, MA 02184
781-794-5632

Michael A. Frias
Community Affairs Officer
Federal Deposit Insurance Corporation
500 West Monroe, Suite 33030
Chicago, IL 60661
312-382-7506

Eloy A. Villafranca
Community Affairs Officer
Federal Deposit Insurance Corporation
1910 Pacific Avenue, Suite 20048
Dallas, TX 75201
972-761-8010

Deanna Caldwell
Community Affairs Officer
Federal Deposit Insurance Corporation
2345 Grand Avenue, Suite 1500
Kansas City, MO 64108
816-234-8151

David Wright
Community Affairs Officer
Federal Deposit Insurance Corporation
5100 Poplar Avenue, Suite 1900
Memphis, TN 38137
901-821-5295

Linda D. Ortega
Community Affairs Officer
Federal Deposit Insurance Corporation
25 Ecker Street, Suite 2300
San Francisco, CA 94105
415-978-0486

Valerie J. Williams
Community Affairs Officer
Federal Deposit Insurance Corporation
452 5th Avenue, 17th Floor
New York, NY 10018
212-704-1245

Board of Governors and Reserve Banks of the Federal Reserve System

Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Mail Stop 800
Washington, DC 20551
202-452-3000
<www.bog.frb.fed.us>

Federal Reserve Bank's Community Affairs Section

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, GA 30303-2713
404-521-8500
<www.frbatlanta.org>

Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, MA 02106
617-973-3000
<www.bos.frb.org>

Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604
312-322-5322
<www.frbchi.org>

Federal Reserve Bank of Cleveland
1455 East Sixth Street
Cleveland, OH 44114
216-579-2000
<www.clev.frb.org>

Federal Reserve Bank of Dallas
2200 North Pearl Street
Dallas, TX 75222
214-922-6000
<www.dallasfed.org>

Federal Reserve Bank of Kansas City
925 Grand Boulevard
Kansas City, MO 64198
816-881-2000
<www.kc.frb.org>

Federal Reserve Bank of Minneapolis
90 Hennepin Avenue
Minneapolis, MN 55480
612-204-5000
<www.woodrow.mpls.frb.fed.us>

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045
212-720-5000
<www.ny.frb.org>

Federal Reserve Bank of Philadelphia
10 Independence Mall
Philadelphia, PA 19106
215-574-6000
<www.phil.frb.org>

Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23219
804-697-8000
<www.rich.frb.org>

Federal Reserve Bank of St. Louis
411 Locust Street
St. Louis, MO 63102
314-444-8444
<www.stls.frb.org>

Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, CA 94105
415-974-2000
<www.frbsf.org>

**Local or Regional Office of the Financial Management Service,
U.S. Department of the Treasury**

Tabitha Guyton
Austin Financial Center
P.O. Box 149058
Austin, TX 78714-9058
512-342-7300

Lynn Randolph
Birmingham Financial Center
P.O. Box 2451
Birmingham, AL 35201-2451
205-912-6400

James Bussen
Chicago Financial Center
P.O. Box 8670
Chicago, IL 60680-8670
312-353-5622

Sheila Kremer and Edward Deal
 Philadelphia Financial Center
 P.O. Box 8676
 Philadelphia, PA 19101-8676
 215-516-8017

Stacey Lovegren
 San Francisco Financial Center
 P.O. Box 193858
 San Francisco, CA 94119-3858
 415-744-7967

**Comptroller of the Currency, Community
 Reinvestment & Development Specialists**

Northeastern District

Stephen Davey	212-790-4054	212-790-4098 (FAX)
Denise Kirk-Murray	212-790-4053	212-790-4098 (FAX)

Office of the Comptroller of the Currency
 1114 Avenue of the Americas, Suite 3900
 New York, NY 10036-7780

Southeastern District

Karol Klim	404-588-4515 x518	404-588-4532 (FAX)
Nancy Gresham-Jones	404-588-4515 x547	404-588-4532 (FAX)

Office of the Comptroller of the Currency
 Marquis One Tower, Suite 600
 245 Peachtree Center Avenue, N.E.
 Atlanta, GA 30303-1223

Central District

Roosevelt Washington	312-360-8884	312-435-0951 (FAX)
Paul Ginger	312-360-8876	312-435-0951 (FAX)

Office of the Comptroller of the Currency
 One Financial Place, Suite 2700
 440 S. LaSalle Street
 Chicago, IL 60605-1073

Midwestern District

Annette Lepique	816-556-1832	816-556-1892 (FAX)
Bradley Streeter	816-556-1836	816-556-1892 (FAX)

Office of the Comptroller of the Currency
 2345 Grand Boulevard, Suite 700
 Kansas City, MO 64108-2683

Southwestern District

David Lewis	214-720-7027	214-720-7000 (FAX)
David Miller	214-720-7067	214-720-7000 (FAX)

Office of the Comptroller of the Currency
 1600 Lincoln Plaza
 500 North Akard Street
 Dallas, TX 75201-3394

Western District

Julia Brown	415-545-5956	415-545-5925 (FAX)
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Office of the Comptroller of the Currency
 50 Fremont Street, Suite 3900
 San Francisco, CA 94105-2292

Susan Howard	818-240-9192	818-240-9690 (FAX)
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Office of the Comptroller of the Currency
 550 North Brand Blvd., Suite 500
 Glendale, CA 91203-1900

Washington Office

Anna Alvarez Boyd 202-874-4864 202-874-5221 (FAX)

Community Reinvestment & Development Manager
Office of the Comptroller of the Currency
250 E. Street, S.W.
Washington, DC 20219-0001

Karen Bellesi 202-874-4847 202-874-5221 (FAX)

Community Reinvestment & Development Coordinator
Office of the Comptroller of the Currency
250 E. Street, S.W.
Washington, DC 20219-0001

Office of Thrift Supervision, Community Affairs Information**Northeast**

Francis Baffour 201-413-7343 201-413-7541 (FAX)

Office of Thrift Supervision, Community Affairs Information
10 Exchange Place, 18th Floor
Jersey City, NJ 07302

Southeast

Lynn Bedard 404-888-8443 404-897-1861 (FAX)

Office of Thrift Supervision, Community Affairs Information
1475 Peachtree St., N.E.
Atlanta, GA 30309

Central

Claude Becker 312-917-5022 312-917-5002 (FAX)

Office of Thrift Supervision, Community Affairs Information
Madison Plaza
200 West Madison St., Suite 1300
Chicago, IL 60606

Midwest

Aaron Satterthwaite 972-281-2114 972-281-2073 (FAX)

Office of Thrift Supervision, Community Affairs Information
122 W. John Carpenter Freeway, Suite 600
Irving, TX 75039

West

James Woods 415-616-1551 415-616-1752 (FAX)

Office of Thrift Supervision, Community Affairs Information
1 Montgomery St., Suite 400
San Francisco, CA 94104

Washington, DC

Office of Thrift Supervision, Community Affairs Information
1700 G St., N.W., 6th Floor
Washington, DC 20552
202-906-7857
202-906-5735 (FAX)

Financial Institutions (Banks, Savings & Loans, Credit Unions)

Look in the white/business pages of your local phone book.

Local Interagency Council

Look in the white/business pages of your local phone book, or ask other agencies in your community.

Local Legal Services Office

Look in the white/business pages of your local phone book.

Mental Health Association

Look in the state or local government section (blue pages) of your phone book under *Mental Health Services*.

NAACP (National Association for the Advancement of Colored People)

Call 410-521-4939, or visit the Web site • <www.naacp.org>.

Local Affiliates of the National Association of Community Action Agencies

Call 202-265-7546, or visit the Web site • <www.nacaa.org/index.htm>.

Local Affiliates of the National Association of Family and Community Education

Contact your local county Cooperative Extension office (see listing under Cooperative Extension System offices in Section 5).

Local Affiliates of the National Congress for Community Economic Development

Call 202-234-5009, or visit the Web site • <www.ncced.org>.

Local Affiliates of the National Community Reinvestment Coalition

Call 202-628-8866, or visit the Web site • <www.ncrc.org>.

Local or Regional Offices of the National Credit Union Administration

NCUA Region I (Northeast)
9 Washington Square
Washington Avenue Extension
Albany, NY 12205
518-862-7400

NCUA Region II (Mid-Atlantic)
1775 Duke Street, Suite 4206
Alexandria, VA 22314-3437
703-838-0401

NCUA Region III (Southeast)
7000 Central Parkway, Suite 1600
Atlanta, GA 30328
678-443-3000

NCUA Region IV (North Central)
4225 Naperville Rd., Suite 125
Lisle, IL 60532
630-955-4100

NCUA Region V (Midwest and Southwest)
4807 Spicewood Springs Rd., Suite 5200
Austin, TX 78759-8490
512-342-5600

NCUA Region VI (Mountain and Pacific)
2300 Clayton Rd., Suite 1350
Concord, CA 94520
510-363-6200

National Urban League

Call 202-898-1604, or visit the Web site • <www.nul.org>.

Public Housing Authorities

Look in the local or state government (blue pages) section of your phone book under *Housing* or *Housing Authority*.

Local or Regional Office of the Social Security Administration

Call 1-800-772-1213, or visit the Web site locator (home page is <www.ssa.gov>) • <www.s3abaca.ssa.gov/pro/fo/fo-home.html>.

Social Service, Public Assistance or Welfare Offices

Look in the state or local government section (blue pages) of your phone book under *Social Services* or *Public Assistance*.

United Way

Look in the white pages/business pages of your phone book.

Local or Regional Office of the Veterans Affairs

Call 1-800-827-1000 for VA benefits administration, 202-273-8303 for VA health administration, or 202-273-5760 for VA consumer affairs services. Also look in your local phone book in the government (blue pages) section under *Veterans Affairs* • <www.va.gov>.

Appendix C. Consumer Protection Laws

Consumer Protections: The Electronic Fund Transfer Act

The Electronic Fund Transfer Act establishes the rights, liabilities and responsibilities of parties in Electronic Funds Transfers, and protects consumers when they use these systems.

What are Electronic Funds Transfers?

An Electronic Funds Transfer (EFT) is a transfer of funds to or from an account using electronic means, such as a computer. With an EFT, a financial institution is instructed to add or subtract funds from an account. Examples of electronic funds transfers are:

- Direct Deposit of your wages or government benefits into an account
- Automated Teller Machine (ATM) transfers, which may include electronic deposits to, or withdrawals from, an account
- Point-of-sale (POS) transfers, such as payments at a grocery store where an electronic terminal was used, with a debit card
- Transfers using a debit card (sometimes called a “check card”) when an electronic terminal was not used but a receipt was signed instead
- Transfers using a telephone, which may include transfers of funds between accounts or bill paying

What record will I have of my deposits or withdrawals?

You can get a printed receipt for every deposit or withdrawal of funds from an ATM. You can also get a receipt when you buy goods using a debit card. Printed receipts generally include the following information:

- The amount of the transfer
- Any surcharges
- Date the transfer was made
- The type of transfer (for example, deposit or withdrawal)
- An identification number or code for your account or ATM card
- The ATM location or an identification number or code for the terminal
- The name of the merchant, if a POS purchase

You may also receive periodic statements from your financial institution. Many financial institutions send these out each month. Periodic statements may include a listing of all electronic transfers to and from your account. Information on your periodic statement generally includes the same items that appear on ATM or debit card receipts, plus:

- Direct Deposits
- ATM withdrawals
- Debit card purchases
- Preauthorized debit arrangements, such as electronic bill paying
- Fees for ATM use
- Account fees
- Opening and closing balances for the period
- Information on whom to contact if there is an error

Most accounts have periodic statements (monthly or quarterly). The only exception is for passbook accounts that only receive Direct Deposits. Financial institutions must also provide written notice of any change in the account that would increase your costs, or limit the number of transfers that you are allowed to make.

How do I correct errors?

Call your financial institution right away. You may have to follow up the call by writing a letter. Your letter should include:

- Your name
- Your account number
- An explanation of the error
- Dollar amount of the error
- Date that the error occurred

Notice of the error must be received by the financial institution no later than 60 days from the date the first periodic statement, which shows an error, was mailed to you. Your financial institution must look into any error and correct it within 45 days. Even though your financial institution has up to

45 days to complete the investigation, after 10 business days, it must credit your account with the amount in dispute. You may spend this money, although you will have to pay it back if it turns out there was no error. Financial institutions may take up to 90 days to look into an error involving a POS terminal or transaction that occurs outside the U.S. (for example, Canada or Mexico). In this case, the financial institution must credit the amount in question to your account after 20 business days.

Within three business days after finishing the investigation, your financial institution must tell you the results. If your financial institution finds out there was no error, it must send you an explanation. If it credits your account during the investigation and it turns out there was no error, it will let you know when it has subtracted these amounts from your account. You may ask for copies of any documents about the investigation.

What about lost or stolen ATM or debit cards?

If your ATM or debit card is lost or stolen, and someone uses it, you are responsible for up to \$50 taken out of your account if you let your financial institution know within two business days after learning that your card was lost or stolen. Any money over \$50 that is taken from your account is put back by your financial institution.

For example, if you lose your card on Monday, but don't realize it until Wednesday, you have until Friday to tell your financial institution about the loss. If someone withdraws \$100 from your account on Tuesday, you are responsible for only \$50 of that \$100. The remaining \$50 is put back into your account by your financial institution.

You may lose up to \$500 if you do not tell your financial institution within two business days after learning of the loss or theft of your card. How much you lose depends on when the unauthorized withdrawal takes place.

For example, if you lose your card on Monday and realize it immediately, but don't tell the financial institution until Friday, you could be responsible for up to \$500. Suppose a \$100 unauthorized withdrawal was made on

Consumer Liability for ATM and Debit Cards*

Electronic Fund Transfer Act – Regulation E		
Liability Limitation	Limit depends on when notice to financial institution is given	Example
\$50	Within 2 business days after learning of the loss or theft of the card	Consumer's card is stolen on 8/1 and \$100 in unauthorized EFTs occur. Consumer learns of the loss on 8/15 and notifies financial institution on 8/16. Consumer is only liable for \$50.
The lesser of: \$500 <i>or</i> The sum of \$50 (or the amount of the unauthorized EFTs that occur before the close of two business days, if less than \$50) <i>plus</i> the amount of unauthorized EFTs that occur after the close of two business days and before the consumer notifies the financial institution**	After 2 business days after learning of the loss or theft of the card	Consumer's card is stolen on 8/1. A \$100 unauthorized EFT occurs on 8/1, and a \$600 unauthorized EFT occurs on 8/18. Consumer learns of the loss on 8/15 and notifies financial institution on 8/20. Consumer is liable for \$500 (\$50 from first \$100, plus \$450 from the \$600).
Unlimited liability for transactions that occur more than 60 days after the transmittal of a periodic statement showing an unauthorized EFT**	More than 60 days after the transmittal of the periodic statement	Consumer's card is stolen on 8/1 and consumer learns of loss immediately. A \$600 unauthorized EFT occurs on 8/5. Consumer gets a statement showing the EFT but never reports it. Sixty-two days later another \$800 unauthorized EFT occurs. Consumer notifies financial institution on 63rd day after the statement showing the \$600 EFT was mailed. Consumer is liable for \$500 from first \$600 (the maximum liability for the first 60-day period), plus the entire last \$800 (the amount withdrawn after the 60-day period), or a total of \$1,300.

**Different rules apply for credit cards.*

***Provided institution establishes that these transfers would not have occurred had the consumer notified the institution within that two business day period or 60-day period, as applicable.*

Tuesday and another \$600 withdrawal was made on Thursday, for a total of \$700. Because you are responsible for up to \$50 within the first two business days, plus the amount after the first two days and before notifying the financial institution, you would expect to be liable for \$650. However, the maximum liability in this case is \$500. The remaining \$200 is put back into your account by your financial institution.

If you do not tell your financial institution about transfers made with a lost or stolen ATM or debit card that appear on your periodic statement, you could lose everything taken from your account. The rules say you can face unlimited loss on transfers made after the 60-day period plus up to \$500 for any withdrawals made up to the end of the 60-day period. Remember the “60-day clock” starts running from the date the first periodic statement, which shows an unauthorized withdrawal, was mailed to you.

For example, let’s say your ATM card was lost. You were aware of the loss immediately, but did not report it. More than two business days later, the person who finds the card takes \$600 from your account. You get a statement showing this but don’t report it to your financial institution. Sixty-two days after a periodic statement showing the \$600 withdrawal was sent, another \$800 is taken from your account. You tell your financial institution about your lost card on the next day. You are responsible for \$800 (any money withdrawn after the 60-day period) and \$500 of the first amount withdrawn (the maximum liability for the first 60-day period). You would be responsible for \$1300 of the \$1400 taken out of your account. Only \$100 would be put back into your account.

It is very important that you look over your account statements as soon as you receive them to see if anyone has been taking money out of your account without your permission. Let your financial institution know about any problems immediately. (Note: Different rules apply if you lose your credit card.)

What about ATM or debit cards sent in the mail?

A financial institution may send you an ATM or debit card that is *valid for use* only if you ask for one, to replace a card or to renew an expiring card. The financial institution must also give you the following information about your rights and responsibilities:

- A notice of your responsibility if the card is lost or stolen
- A telephone number for reporting loss or theft of the card or for reporting a transfer that you did not make
- A list of its steps for dealing with errors
- The kinds of electronic transfers you may make and any limits on the number or dollar amounts of these transfers
- Any fees for using EFT services
- Your right to receive periodic statements or printed receipts of electronic funds transfers
- How to stop payment of a preauthorized transfer, such as an electronic bill payment
- The financial institution's responsibility to you for any failure to make or to stop transfers
- Cases where your financial institution will give information about your account to third parties, such as credit bureaus

A financial institution may send you a card you did not ask for only if the card is *not valid for use*. This card can only be used after you follow any instructions to let your financial institution know that you want to use the card. The financial institution must also give you information on how to get rid of the card if you don't want it.

Can a financial institution ever send electronic payments from my account without my permission?

Financial institutions can only send electronic transfers from your account after you have given permission. When you sign up for electronic transfers, such as electronic bill paying, you will receive copies of any forms you sign. Don't feel pressured into signing anything you don't understand. If you have questions, ask the staff at your financial institution.

How will I know a preauthorized transfer has been made?

Your financial institution may provide a phone number for you to call in order to check and see if a payment was made or received. This information will also be on periodic statements. You may also be able to check your account balance at an ATM to see if transfers were made.

Employers may also provide notices for employees who have Direct Deposit of their wages. Government agencies will not, however, provide such notices to benefit recipients.

When do electronic payments deposited into my account, such as wages or government benefits, become available for spending?

You can use your funds at the opening of business on your payment date. The agency responsible for your government benefits can be contacted to find out when the payment occurs.

How do I stop a preauthorized payment, such as an electronic bill payment?

You can stop any preauthorized payment by calling your financial institution, so that your stop-payment order is received at least three business days before the payment date. Your financial institution may require that you put this request in writing to confirm it.

If the payments I preauthorize vary in amount from month to month (for example, utility bills or other bills), how will I know how much will be taken out of my account?

You have the right to know about all varying payments at least 10 days in advance. You can choose to suggest a range of amounts (for example, up to \$50) and be told only when a payment is outside that range. You can also choose to be told only when a payment is significantly different from other payments to the same company by more than a certain amount (for example, by more than \$25).

Consumer Protections: Expedited Funds Availability Act

Money from checks you deposit into your account may not be available for you to use right away. The Expedited Funds Availability Act (EFAA) covers the availability of funds deposited in checking accounts, and the collection and return of checks. The regulations for EFAA set the maximum amount of time a financial institution can hold your deposits until they are available for you to use. Financial institutions have their own policies about funds availability.

How do I find out what my financial institution's funds availability policies are?

The Expedited Funds Availability Act sets the maximum amount of time your institution may set for funds availability. Your institution may make your funds available sooner, so it pays to ask. Your financial institution will give you information on their funds availability policies before you open an account. They also must post information about their funds availability policies in an area where consumers are likely to see it, usually in the lobby. Your financial institution should let you know about changes in their funds availability policies.

What types of deposits are considered “next-day available,” and what does “next-day availability” mean?

“Next-day availability” means the money that you put into your account is available on the next business day (Monday through Friday). Deposits considered “next-day available” are:

- Cash deposited in person
- Electronic payments
- United States Treasury checks (such as Social Security, SSI, Veterans, Civil Service or federal income tax refunds) deposited in person or at ATMs owned by your institution
- U.S. Postal Service money orders deposited in person
- State or local government checks deposited in person
- Cashier's, certified or teller's checks deposited in person
- Checks drawn on another account held by your institution
- Federal Reserve Bank and Federal Home Loan Bank checks deposited in person
- First \$100 of any non-“next day” checks

When will your money be available?

Type of Deposit	When Available**
<ul style="list-style-type: none"> • Direct Deposit of federal benefits 	<i>Morning of deposit</i>
<ul style="list-style-type: none"> • Electronic payments 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • First \$100 of any non-”next day” check deposited 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • Cash (deposited in person)* 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • U.S. Treasury checks (deposited in person or at ATMs owned by your bank) 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • U.S. Postal Service money orders (deposited in person)* 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • State or local government checks (deposited in person)* 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • Cashier’s, certified, or teller’s checks (deposited in person)* 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • Checks and other money orders drawn on another account at the same bank 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • Federal Reserve Bank and Federal Home Loan Bank checks (deposited in person)* 	<i>Next business day</i> (Mon-Fri)
<ul style="list-style-type: none"> • Checks and non-U.S. Postal Service orders from local banks 	<i>Second business day</i> (after the day of deposit)
<ul style="list-style-type: none"> • Deposits (of items noted by “*”) made at an ATM owned by your bank 	<i>Second business day</i> (after the day of deposit)
<ul style="list-style-type: none"> • Checks and non-U.S. Postal Service money orders from out-of-town or out-of-state banks 	<i>Fifth business day</i> (after the day of deposit)
<ul style="list-style-type: none"> • Deposits made at an ATM not owned by your bank 	<i>Fifth business day</i> (after the day of deposit)

*** Maximum hold allowed by EFAA; your funds may be available sooner — check with your financial institution.*

Are funds deposited at ATMs considered “next-day available”?

No. Cash, Postal Service money orders, state or local government checks, cashier’s checks, or Federal Reserve Bank or Federal Home Loan Bank checks deposited into an ATM are available on the second business day if you deposit them into an ATM owned by your institution. If you deposit these into an ATM owned by another institution, the funds are available on the fifth business day.

What is the meaning of the terms “local” and “nonlocal,” and how do the terms affect funds availability?

A check is considered “local” if your institution is located in the same check processing region as the paying institution. Funds must be made available by the second business day following the day of deposit of “local” checks.

A check is considered “nonlocal” if your institution is not located within the same region as the paying institution. Funds must be made available by the fifth business day following the day of the deposit of “nonlocal” checks.

If I deposit a “local” or “nonlocal” check into my account, are any of the funds from the check available for immediate spending?

Yes. When you deposit a “local” or “nonlocal” check (and the check is not considered “next-day available”), up to \$100 of the check is available to you on the next day.

Can a financial institution delay funds availability?

Yes. There are certain times when the two- and five-day availability rules do not apply. You should ask your financial institution when these rules do not apply and what their policies are. Financial institutions can delay funds availability or “hold” funds if:

- The deposit is greater than \$5,000
- The deposited checks are redeposited (for example, if a check bounced, and you are depositing it again)

- Your account has been overdrawn many times
- There is reason to doubt whether the deposited check will be paid (for example, you have had problems with large numbers of bounced checks over a short period)
- There are emergency conditions, such as bad weather or electrical outages
- If your account is less than 30 days old

If you have any questions, you should ask your financial institution if the deposit will be put on hold and for how long.

Consumer Protections: Truth in Savings Act

The Truth in Savings Act requires that depository institutions provide disclosures to help consumers make meaningful comparisons of deposit accounts.

Under the Truth in Savings Act, financial institutions must tell you the important terms of their deposit accounts:

- The interest rate they pay on savings accounts
- The annual percentage yield (APY), which is the amount of interest that you will earn on a yearly basis expressed as a percentage
- Any fees the financial institution charges on the account
- Information about other features such as any minimum balance needed to earn interest or to avoid fees

To help you shop for the best accounts, financial institutions must give you information about any deposit account they offer. They must give you information on interest rates, fees and minimum balance requirements before you actually open an account.

The Truth in Savings Act generally requires that periodic statements sent to you include information on interest rates and fees.

Appendix D. Who Are the Households Without Accounts?

Who Are the Households Without Accounts?

According to data in the 1995 Survey of Consumer Finances, there were approximately 12 million households who did not have accounts with the nation's mainstream financial institutions¹ (see Table 1). These households are more likely African American or Hispanic, female, younger, less educated, lower income, unemployed and unmarried. Rural households are less likely than their urban/suburban counterparts to have accounts with financial institutions. Households in the Southeast and South Central Regions were less likely to have accounts than households in other regions.

When asked why they didn't have checking accounts, one out of four of these households responded that they didn't write enough checks; one out of five said they didn't like dealing with banks; and one out of five said they didn't have enough money to have an account. At the same time, nearly half of these households use banks and other financial institutions to transact personal financial business (e.g., get loans, cash checks, pay bills, get money orders).

The Survey of Consumer Finances data show that of the 12 million households without bank accounts, about half receive some sort of federal benefit. The Financial Management Service of the U.S. Department of the Treasury estimates that 8 to 10 million benefit recipients do not have accounts². In a study of federal beneficiaries conducted by the Treasury, beneficiaries without accounts were more likely to be female, younger, lower income, have less education and live in urban areas (see Table 2).

Table 1. Demographic characteristics of households with and without accounts

Variable Descriptions	Total W/Wo Accounts	With Accounts	Without Accounts	No Accounts Use banks ^a	No Accounts Don't Use Banks
Overall	100.0%	87.5%	12.5%	49.0%	51.0%
Race/Ethnicity - Hispanic	5.7	4.5	13.5	10.2	16.6
African American	12.8	9.3	37.4	35.5	39.1
White	77.7	82.2	45.8	51.5	40.3
Other Race/Ethnicity	3.9	4.0	3.3	2.8	3.9
Male	71.1	73.5	54.7	66.8	43.2
Female	28.9	26.5	45.3	33.2	56.8
H.S. Diploma/GED	81.5	85.2	55.8	59.6	52.2
No H.S. Diploma/GED	18.5	14.8	44.2	40.4	47.8
Income <= \$20,000	37.5	31.5	80.0	67.9	91.6
Income > \$20,000	62.5	68.5	20.0	32.1	8.4
Married	52.4	55.8	28.2	40.8	16.1
Not Married	47.6	44.2	71.8	59.2	83.9
Employment – Employed	67.8	70.2	50.7	62.1	39.6
Retired	17.9	18.8	11.2	13.2	9.3
Unemployed/Laid Off	4.1	2.7	13.6	8.6	18.5
Other Not Employed	10.3	8.2	24.5	16.1	32.6
Region - Northeast	19.8	20.3	16.9	13.6	20.0
Southeast	18.8	18.5	21.0	19.1	22.7
South Central	16.3	15.2	23.9	25.5	22.3
North Central	23.9	24.4	20.4	24.2	16.7
Mountain	6.8	7.3	3.4	3.0	3.8
Pacific	14.3	14.3	14.5	14.6	14.4
Rural	21.2	20.5	25.6	30.2	21.3
Urban	78.8	79.5	74.4	69.8	78.7
Reasons - Economic Reasons ^b	na	na	43.1	35.4	50.4
Don't Write Enough Checks	na	na	24.2	27.7	20.7
Attitudinal Reasons	na	na	32.8	36.8	28.9
Age - Mean	48.5	49.2	43.2	44.2	42.3
Age - Median	45	46	40	41	38
HH Income - Mean	\$43,624	\$47,875	\$13,786	\$18,669	\$9,086
HH Income - Median	\$30,000	\$33,000	\$9,700	\$15,000	\$7,100
Net Worth - Mean	\$179,845	\$202,475	\$20,981	\$30,205	\$12,102
Net Worth - Median	\$57,441	\$71,191	\$6,811	\$10,741	\$5,141
Household Size	2.6/2	2.6/2	2.7/2	2.8/2	2.7/2
(Mean/Median)					
N (Weighted)	99.0m	86.7m	12.3m	6.0m	6.3m
N (Unweighted)	21,495	19,570	1,925	964	961
N (Unweighted- Each Impl.)	4,299	3,941	385	193	192

Source: 1995 Survey of Consumer Finances

All χ^2 significant at 0.001; columns within demographic categories sum to 100%

^aUse banks to conduct personal financial business, i.e. for loans, check cashing, money orders, etc.

^b*Economic Reasons* => Don't have enough money, Minimum balance too high, Service charges too high, Not allowed to have an account due to welfare, etc.; *Attitudinal Reasons* => Can't manage/balance a checking account, Don't like dealing with banks, Haven't gotten around to it, Don't need or want an account, etc.

6.D.2 Appendix D: Who Are the Households Without Accounts

Characteristic	With Accounts	Without Accounts
Male	52%	44%
Female	47%	56%
Mean Age	68	62
Mean Income	\$29,500	\$14,500
Residence		
City/Suburb	53%	56%
Small Town/Rural	47%	44%
Education		
H.S. Dipl. Or Less	63%	78%

Table 2. Demographic characteristics of federal beneficiaries with and without bank accounts.

Source: Booz-Allen and Hamilton and Shugoll Research, 1997

When asked why they didn't have accounts, nearly half of the beneficiaries said they didn't have enough money to need an account; another one out of five said they didn't have a need for an account (see Figure 1).

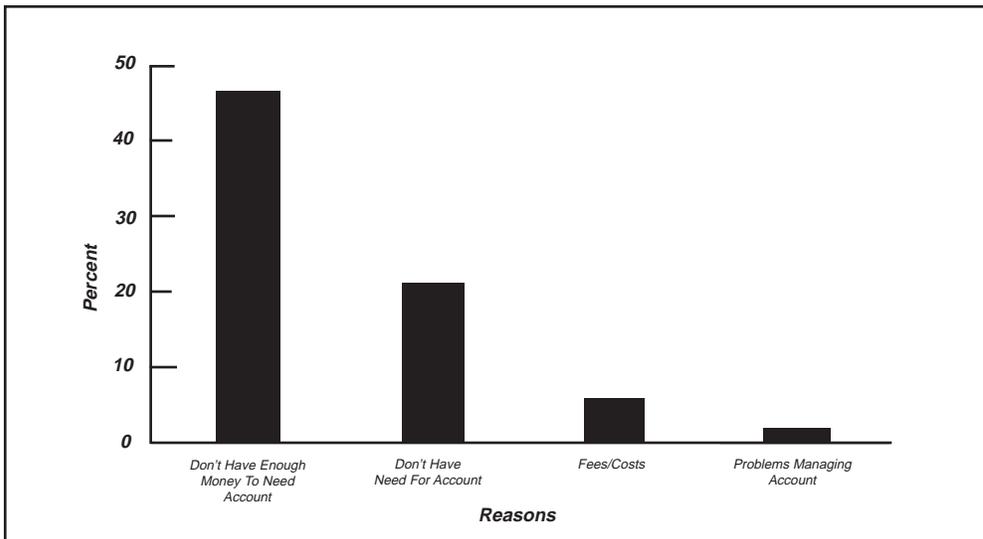
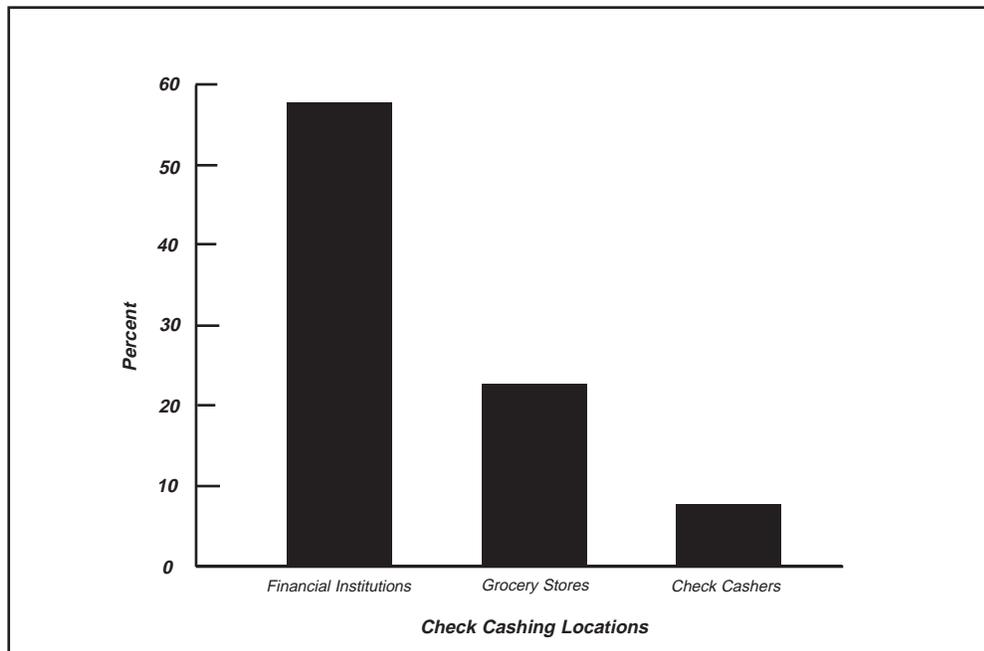


Figure 1. Beneficiaries' reasons for not having bank accounts

Source: Booz-Allen and Hamilton and Shugoll Research, 1997

Figure 2.
Locations where
federal beneficiaries
without accounts
cash checks

Source: Booz-Allen and Hamilton and Shugoll Research, 1997



Nearly three out of five of the beneficiaries without accounts cashed their checks at financial institutions, and another one-fourth cashed their checks at grocery stores (see Figure 2).

¹Hogarth, J.M & O'Donnell, K.H. 1997. **Being Accountable: A Descriptive Study of Unbanked Households in the U.S.** Phoenix, AZ: Proceedings of the Association for Financial Planning and Counseling Education.

²Booz-Allen and Hamilton and Shugoll Research, 1997. **Mandatory EFT Demographic Study (OMB1510-00-68)** Washington, DC.

There are several reasons for the difference between the 12 million household estimate from the 1995 Survey of Consumer Finance and the 8 to 10 million benefit recipients estimate in this study. One is that the 1995 SCF unit of measure is households while the 1997 Booz-Allen and Hamilton measure is beneficiaries; one household may have multiple beneficiaries. Also, the SCF measure includes non-beneficiary households. Finally, there is likely to be a slight difference due to the two-year time differential from 1995 to 1997.

Appendix E. Additional Materials

Learn How To Make Your Money Work Harder For You!

Attend a Financial Education Workshop.

Learn how to:

- Choose a financial institution
- Choose and use a deposit account
- Use Direct Deposit and other electronic funds transfers (EFT)
- Use an Automated Teller Machine (ATM)

Join us for this lunch-and-learn program! Beverages will be provided; just bring a bag lunch.

DATE
TIME
LOCATION
PHONE NUMBER

Please call by (date) to reserve your space
at this important workshop.

Insert map and directions to location.

Insert list of sponsoring organizations.



Evaluation of Financial Services Presentation

Before you leave today, we'd like to ask your opinion on the program — how well we did, what you learned and how we can improve the program for others. Please take a few minutes to give us your opinions and ideas. Thank you.

Do you have an account with a financial institution now?

Yes

No

If you don't have an account now, have you ever had an account before?

Yes

No

Circle the number that corresponds with your feeling about each statement.

1 = Strongly Disagree 2 = Disagree 3 = No Opinion 4 = Agree 5 = Strongly Agree

I understand the different kinds of financial institutions (banks, savings and loans, credit unions, etc.).

1 2 3 4 5

I understand how to choose an institution.

1 2 3 4 5

I understand the different kinds of accounts.

1 2 3 4 5

As a result of this program what do you think you will do?

Wait for more information

Change financial institutions

Sign up for Direct Deposit

Open an account

Won't do anything

Other _____

What else would you like to tell us about this program?

Thank you for giving us your thoughts. These ideas can help us improve our program for others.

Choosing a Financial Institution

When looking for a financial institution, bring this checklist with you. Below are some questions that will help you determine which financial institution is right for you.

	Financial Institution A	Financial Institution B	Financial Institution C
Name of Institution			
Does it offer the services I need?			
Is it close to home?			
Does it have reasonable hours?			
Does it have ATMs? If so, are they located near where I live, work or shop?			
Am I eligible to join a credit union?			
Do any employees speak my language?			
What kind of identification is required to open an account?			
What, if any, fees will be charged?			

Choosing a Deposit Account

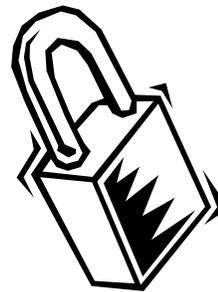
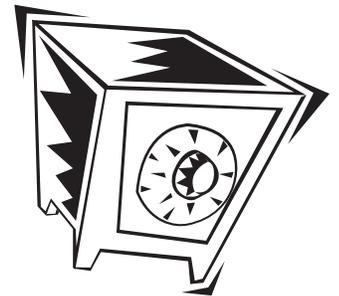
When looking for a deposit account, bring this checklist with you. Below are some questions that will help you determine which deposit account is right for you.

	Account A	Account B	Account C
Type of Account			
How much money do I need to open the account?			
How much do I have to keep in my account to avoid fees?			
What is the monthly service charge?			
What are the fees for bounced checks?			
How many checks can I write before extra fees are charged?			
Will I be charged a fee if I want a canceled check or a copy of one?			
How many withdrawals can I make each month?			
Does this account pay interest? What is the rate?			
Does an ATM or debit card come with this account?			
Will I be charged to use the ATM or debit card at this institution?			
Will I be charged an additional fee to use the ATM or debit card at another institution?			
Are there any other fees?			

Financial Services Education Series

The following fact sheets are part of a continuing series of materials on financial education.

1. **Fact Sheet - Direct Deposit Saves Time**
2. **Fact Sheet - Choosing a Financial Institution**
3. **Fact Sheet - Choosing a Deposit Account**
4. **Fact Sheet - Using Deposit Accounts**
5. **Fact Sheet - Automated Teller Machines (ATMs)**
6. **Fact Sheet - Debit Cards**
7. **Fact Sheet - Frequently Asked Questions**
8. **Fact Sheet - Glossary**



If you are interested in obtaining additional copies of any of the listed fact sheets, please contact:

Name: _____

Organization: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone: _____ FAX: _____

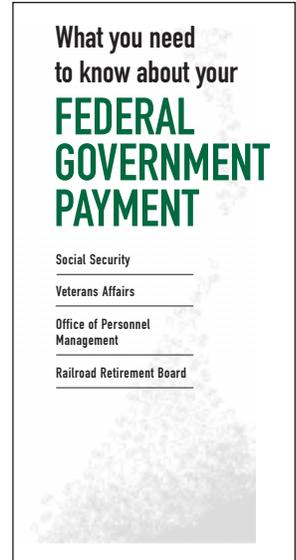
E-mail Address: _____

Pamphlet Order Form

What you need to know about your Federal Government Payment is available free in minimum quantities of 100. To order copies of the pamphlet, please return this order form to:

Financial Management Service
 Attention: Product Promotion Division
 401 14th Street, S.W.
 Room 318
 Washington, DC 20227

Or, **FAX this form to 202-874-7321.**
 Allow up to two weeks for delivery.



Organization: _____

Street Address: _____
(No P.O. Boxes) _____

City: _____ **State:** _____ **ZIP:** _____

Phone Number: _____ **Contact Person:** _____

Quantity: _____
(Minimum of 100)

THE FACTS: Direct Deposit Saves Time

Direct Deposit is the electronic transfer of your paycheck, benefit check or other payment into your checking, share draft or savings account.

What is Direct Deposit?

Direct Deposit is the electronic transfer of your paycheck, benefit check or other payment into your checking, share draft or savings account. Instead of receiving a check in the mail and taking it to your financial institution, you can rest assured that your money is in your account. The money is available to you the morning of the payment date.

Direct Deposit offers these benefits:

Convenience: No more special trips to your institution to deposit your check — a nice feature if you are busy, ill, away from home, located far from a branch or in a place where parking is hard to find.

Reliability: You no longer need to wait for your check to arrive in the mail. Your money will always be in your account on time. If you move without changing financial institutions, you will not have to wait for your check to catch up with you.

Security: You do not have to worry about lost, stolen or misplaced checks.

Flexibility: If you decide to switch accounts or institutions, it is easy to change your Direct Deposit arrangements. Simply contact your institution and the agency or organization that issues your payment. Both will have forms for you to fill out to make it easy.

What types of payments can be made by Direct Deposit?

- Benefit checks from the federal government, such as Social Security, Supplemental Security Income (SSI), Railroad Retirement, Veterans Benefits and Civil Service Retirement
- Benefit checks issued by state governments, including retirement and unemployment
- Paychecks from your employer
- Pension payments
- Income from investments

Will my money be safe?

Your money is protected. Government agencies have rules to protect you in case of an error. The Social Security Administration has used Direct Deposit since 1976

and has never lost a payment. Plus, your money is protected up to \$100,000 per depositor if it is deposited in a federally insured institution.

Direct Deposit is more confidential than getting a check because fewer people are involved in the process.

How can I avoid problems?

Keep track of deposits and withdrawals. Compare them with your statement. Immediately contact your institution if you find an error. For an error involving Direct Deposit, an Automated Teller Machine (ATM) deposit or withdrawal, you have 60 days from the date your statement was mailed to contact your institution. If you miss the deadline, your institution does not have to investigate the problem.

Once you contact the institution, it has:

- Ten business days to investigate the problem
- One business day to correct the error after finding it
- Three business days to tell you the results of the investigation

There is an exception:

If the money in question is returned to your account within 10 business days of when you notified the institution of the error, the institution can take up to 45 days to investigate. If no error is found, the institution may take back the money in question if it sends you a written explanation.

Developed by the Financial Services Education Coalition:

AARP	Federal Trade Commission	U.S. Department of Agriculture
American Bankers Association	Independent Bankers Association of America	Cooperative State Research,
Call For Action, Inc.	National Association of Federal Credit Unions	Education and Extension Service
Consumer Information Center	National Community Reinvestment Coalition	U.S. Department of the Treasury,
Credit Union National Association, Inc.	National Consumers League	Financial Management Service
Federal Deposit Insurance Corporation	National Foundation for Consumer Credit	
Federal Reserve Board	Organization for a New Equality	

THE FACTS: Choosing a Financial Institution

What are financial institutions?

Financial institutions are businesses that offer services such as checking and savings accounts, car loans, home mortgages, credit cards, and retirement and investment services. There are several types of financial institutions: banks, savings and loan associations and credit unions. Many of these institutions offer the same services.

Banks, savings and loan associations (S&Ls), and credit unions are businesses that operate under federal and state laws. They are closely regulated so your money is safe.

Banks and savings and loan associations (S&Ls) are businesses that operate under federal and state laws. They are closely regulated so your money is safe. They offer loans, credit cards, safe deposit boxes, investment services, and checking and savings accounts that are insured by the federal government.

Credit unions are not-for-profit, member-owned cooperatives that operate under federal or state laws. They serve members who have something in common, such as working for the same employer, belonging to the same group or

living in the same community. They are closely regulated so your money is safe. Most credit unions offer loans, credit cards, and checking (share draft) and savings (share) accounts that are insured by the federal government.

Many other businesses, including post offices, grocery stores, wire services, finance companies, pawn shops and check cashing outlets, sell money orders and cash checks. Check cashing may be free or for a fee. A few states regulate fees charged by check cashing outlets and wire services. There are no regulations for check cashing fees charged by other businesses.

Why should I keep my money in a financial institution?

Safety. The money you deposit in an institution is safe from theft, loss and fire. Keeping your money in an account is safer than keeping cash at home or carrying cash with you. In most cases, money in your account is protected by federal insurance.

Compare what it costs you to cash checks and buy money orders for a typical month to the monthly cost of accounts offered in your area.

Convenience. You can get your money quickly and easily. Institutions provide different ways for you to get your money. You can withdraw cash at a teller’s window, a drive-up window, an Automated Teller Machine (ATM) or by cashing a personal check.

Cost. Keeping your money in a financial institution and using the services it provides is often cheaper than using other businesses to cash checks or buy money orders. Check cashing for account holders is usually free. Using a checking account can cost less than buying a lot of money orders. Compare what it costs you to cash checks and buy money orders for a typical month to the monthly cost of accounts offered in your area.

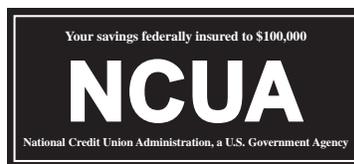
Security. In a federally insured institution, your money is generally protected by federal insurance up to \$100,000 for each depositor. Most banks and savings and loans are insured by the Federal Deposit Insurance Corporation (FDIC). Credit unions are usually insured

through the National Credit Union Administration. There are some financial institutions that are not federally insured. Federally insured institutions must display one of the logos shown at the bottom of this page.

Other Financial Industry

Products. In addition to checking and savings accounts, most financial institutions offer a variety of other products and services that you may want or need. For example, a car dealer or your landlord might want a check that guarantees payment. For a fee, a certified check is written on your account and then is “guaranteed” by the institution. If you do not have an account, for a fee you can get a cashier’s check or teller’s check that serves the same purpose.

You can borrow money from your financial institution if you have a good credit history. Financial institutions offer a wide variety of loans and other forms of credit. Use credit wisely. Avoid getting into too much debt.



Financial institutions may offer investment products and services. You do not need to have an account with the institution to get many of these services. The people selling investments (stocks, bonds and mutual funds) may not be employees of the institution. They must tell you if an investment is not insured. The right investment for you depends on your needs, goals and how much risk you are willing to take. **Never invest in something that you do not understand.**

You can also buy and redeem United States Savings Bonds at many financial institutions (commercial banks and credit unions). For further information about U.S. Savings Bonds, contact the Bureau of Public Debt, Savings Bond Operation Office, Parkersburg, WV 26106-1328 (or on the internet • <www.publicdebt.treas.gov/sav/sav.htm>).

How do I choose an institution?

Shop and compare. This checklist may help you decide which institution is right for you.

- Does it offer services I need?
- Is it close to home?
- Does it have reasonable hours?
- Does it have ATMs? If so, are they located near where I live, work or shop?
- Am I eligible to join a credit union?
- Do any employees speak my language?
- What kind of identification is required to open an account?
- What, if any, fees will I be charged?

Developed by the Financial Services Education Coalition:

AARP
 American Bankers Association
 Call For Action, Inc.
 Consumer Information Center
 Credit Union National Association, Inc.
 Federal Deposit Insurance Corporation
 Federal Reserve Board

Federal Trade Commission
 Independent Bankers Association of America
 National Association of Federal Credit Unions
 National Community Reinvestment Coalition
 National Consumers League
 National Foundation for Consumer Credit
 Organization for a New Equality

U.S. Department of Agriculture
 Cooperative State Research,
 Education and Extension Service
 U.S. Department of the Treasury,
 Financial Management Service

THE FACTS: Choosing a Deposit Account



Ask for a list of fees and limits before you open any account.

What are the most common types of accounts?

Most people have savings, share draft or checking accounts. Some financial institutions require that you have a minimum amount of money in these accounts to avoid fees or earn interest. Ask for a list of fees and limits before you open any account. An account may be set up for use by one or more people. Check with your institution about the best option for your situation.

Savings Accounts

There are several types of savings accounts. Credit unions call these share accounts. All pay interest (dividends) on your money. Most include an Automated Teller Machine (ATM) card that lets you deposit and withdraw money from your account. You do not need much money to open a savings account — five dollars is all it takes at some institutions. The advantage of a savings account is that you can deposit small amounts of money and watch your savings grow.

Passbook or statement savings accounts — offered by most

institutions — are easy to use. You can deposit money into your account at the teller window, at your ATM, by mail or by Direct Deposit. You can take money out of your account by using a withdrawal slip or an ATM card. There may be limits on the number of transfers you can make, such as moving money from one account to another or paying bills by telephone.

With a passbook savings account, all of your transactions (deposits and withdrawals), fees and interest earned, are recorded in a small booklet called a passbook. Take your passbook to the institution when you want to make a deposit, a withdrawal, or to find out how much interest you have earned. The teller will print the transaction, interest earned and your new balance in the passbook.

With a statement savings account, you get a statement, usually quarterly, that lists your transactions and interest earned during that period. Keep track of your deposits and withdrawals so you can

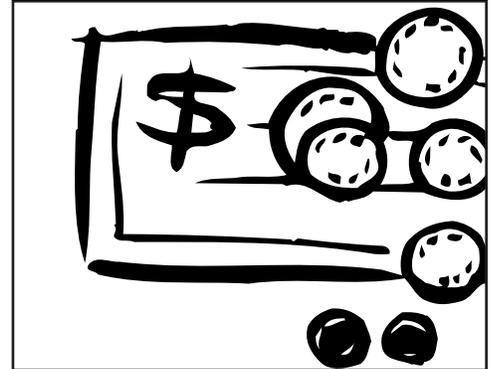
compare them to your statement. Contact your institution immediately if you find an error.

Club and other special purpose accounts let you save money for a specific purpose, such as the holidays or a vacation. Interest rates on these accounts are generally lower than on other types of savings accounts.

Certificates of Deposit (CDs) are another savings choice. Credit unions call CDs share certificates. In exchange for leaving your money in an institution for a set period of time (such as one, two or five years), you may earn a higher rate of interest than on a regular savings account. In fact, the longer you promise to keep your money in a CD, the higher the interest rate may be. Think about your needs before opening a CD. You will pay a penalty if you withdraw your money early.

Checking Accounts

A checking account is useful if you would rather pay your bills by check instead of with cash, credit cards or money orders. Credit unions call these share draft accounts. There are different types



A checking account is useful if you would rather pay your bills by check instead of cash, credit cards or money orders.

of checking accounts. All let you withdraw money from your account by writing checks. Many come with ATM and/or debit cards. Some accounts pay interest.

What are the most common types of checking accounts?

A regular checking account lets you write checks to make payments. Depending on the account, you may be able to write an unlimited number of checks without a charge, or you may be charged a fee each time you write a check. Money may not earn interest in a regular checking account. Many institutions offer free accounts for senior citizens.

Interest checking accounts pay interest and let you write as many checks as you want. Usually you

must keep a minimum balance in your account. If you do not, you will pay fees and may lose some interest. Banks and savings and loan associations sometimes call these NOW accounts.

Special accounts, such as “basic” or “no frills” checking accounts, are offered by many institutions. They have restrictions, but cost less than other accounts. They usually limit the number of checks you can write each month, and the number of deposits and withdrawals you can make during a specific period of time. In addition, these accounts usually do not pay interest.

With a checking account, your institution will send you a statement on a regular basis, usually monthly, that shows:

- The amounts deposited into your account and the dates
- The amount of interest earned on your account, if this applies
- The amounts paid out of your account from checks and withdrawals
- Any fees you were charged

Your statement may also include canceled checks. With some accounts, canceled checks are not returned, but copies can be obtained for a fee.

How do I choose a deposit account?

Think about your needs. Most people want a checking account to pay bills and to deposit paychecks, government benefit checks and other money. A savings account can be used to set aside money. Use a savings account to save for emergencies or for a special purchase, such as a TV, car or down payment on a home. Ask the following questions:

- How much money do I need to open the account?
- How much do I have to keep in my account to avoid fees?
- What is the monthly service charge?
- What are the fees for bounced checks?
- How many checks can I write before extra fees are charged?

- Will canceled checks be returned to me? If not, how much does it cost to get a copy?
- How many withdrawals can I make each month?
- Does this account pay interest? What is the rate?
- Does an ATM or debit card come with this account?
- Will I be charged a fee to use the ATM or debit card at this institution?
- Will I be charged an additional fee to use the ATM or debit card at another institution?
- Are there other fees?

How do I open an account?

Once you have decided which deposit account best meets your needs, you are ready to open one. You will need to share certain information about yourself with the institution, such as your name, address, phone number and Social Security number. Some institutions will ask you to fill out forms with

You will need to sign a signature card or a computer pad so your signature will be on file.

Account Holder Name (s): _____ Reporting SSN/TIN: _____ Mailing Address: _____ City, State, ZIP Code: _____ Telephone Number: _____ BUS: _____ Number of Signatures Required: _____ CIF Number: _____	
Signatures of Authorized Individuals	Account Type/Account Number
1x	A
2x	B
3x	C
4x	D

Figure 1: Sample Signature Card

this information; others may enter it directly into a computer. You will also need to show picture identification.

You will need to sign a signature card (see Figure 1) or a computer pad so your signature will be on file. Your institution will use this signature to verify that you — and not someone else — have signed

your signature on future deposits and withdrawals. Some institutions may ask for a thumb print as well to make sure no one else can withdraw money from your account. Signing the signature card means that you agree to all the fees, terms and conditions of the account.

Developed by the Financial Services Education Coalition:

AARP

American Bankers Association

Call For Action, Inc.

Consumer Information Center

Credit Union National Association, Inc.

Federal Deposit Insurance Corporation

Federal Reserve Board

Federal Trade Commission

Independent Bankers Association of America

National Association of Federal Credit Unions

National Community Reinvestment Coalition

National Consumers League

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Organization for a New Equality

U.S. Department of Agriculture

Cooperative State Research,

Education and Extension Service

U.S. Department of the Treasury,

Financial Management Service

THE FACTS: Using Deposit Accounts

Once you have endorsed your check, it is as good as cash. Because anyone can sign his or her name under yours and get the cash, it is important that you wait to endorse your check until you want to cash it.

How do I cash a check?

You must endorse a check to cash it. On the back left end of the check, sign your name in the space provided exactly as it appears on the front of the check. If your name is not spelled correctly or a different version of your name is used, sign again the way you usually sign your name. Keep your endorsement (see Figure 1) within the top one-third of your check, above the line stamped on the back.

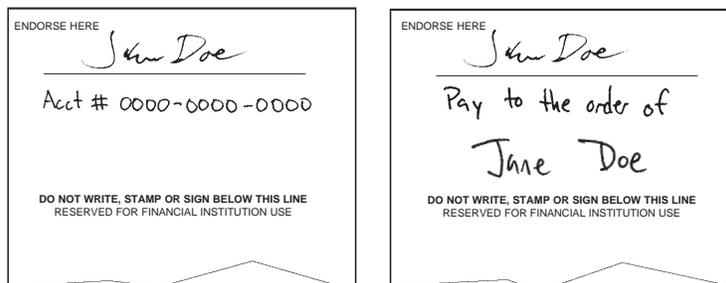


Figure 1: Endorsed Checks

Once you have endorsed your check, it is as good as cash. Because anyone can sign his or her name under yours and get the cash, it is important that you wait to endorse your check until you want to cash it. If you want to sign your check over to someone else, after your

signature, write “Pay to the order of” and the person’s name.

How do I open an account?

Once you have decided which deposit account best meets your needs, you are ready to open one. You will need to share certain information with the financial institution, such as your name, address, phone number and Social Security number. Some institutions will ask you to fill out forms with this information, although others may enter it directly into a computer. You will also need to show picture identification.

You will need to sign a signature card (see Figure 2) or a computer pad so your signature will be on file. Your institution will use this to verify that you, and not someone else, have signed your signature on deposits and withdrawals. Some institutions may request your thumb print, as well, to make sure others cannot withdraw money from your account. Signing the signature card means that you agree to all the fees, terms and conditions of the account.

Your institution will use a signature card like this one to verify that you, and not someone else, have signed your signature on deposits and withdrawals. Some institutions may request your thumb print, as well, to make sure others cannot withdraw money from your account.

Account Holder Name (s): _____ Reporting SSN/TIN: _____ Mailing Address: _____ City, State, ZIP Code: _____ Telephone Number: _____ BUS: _____ Number of Signatures Required: _____ CIF Number: _____	
Signatures of Authorized Individuals	Account Type/Account Number
1x	A
2x	B
3x	C
4x	D

Figure 2: Sample Signature Card

When you open a checking account, the institution will ask you to choose the type of check and checkbook you want to use. Compare prices. Fancier styles may be more attractive, but are rarely worth the extra cost.

A checking account is useful if you would rather pay your bills by check instead of cash, credit cards or money orders.

Printed checks usually include your name and address. You can often add other information to your checks for free, such as your phone or driver's license number. **Do not include your Social Security number on your checks.**

The institution will give you a set of starter checks to use until your printed checks arrive in the mail.

You do not have to order your checks from your institution; mail-order companies offer checks that may cost less.

How do I write a check?

Writing checks properly guarantees that the right amount of money goes to the right person. Follow these guidelines to make it more difficult for someone to alter your check (see Figure 3). Preventing problems is much easier than trying to fix them later.

Always use ink to write checks. Record the current date on the top line of the check. Writing the check

John B. Doe (555) 555-5555 1234 America St. American Town, US 10000	Date <u>July 4, 1998</u>	100
Pay to the Order of <u>XYZ Hardware</u>	\$ <u>25.80</u>	
<u>Twenty-Five and 80/100</u>		Dollars
Financial Institution 123 Elm Street Any Town, USA 10000	<u>John Doe</u>	
MEMO <u>garden tools</u>		
0000000000 0000000000 0000		

Figure 3: Properly Written Check

for a future date — postdating — will not stop someone from cashing it before then. Avoid returned check fees — never write a check unless you have money in your account to cover it.

Next to “Pay to the Order of,” put the name of the person or company who is to receive the check. Start writing as far to the left as you can. Fill the space completely! If the name is not long enough, draw a line after it to fill the rest of the space. Using initials makes it easier for someone to alter your check. For example, a check made out to “IRS” could easily be changed to “I. R. Smith” and then cashed.

Next to and as close as you can get to the dollar sign (\$), write the

amount of the check in numbers, such as “25.80.” Many checks have a box for this. On the next line, write the amount in words; for example, “Twenty-five and 80/100.” Again, fill the space completely. If the amount written in numbers is different from the amount written in words, your institution will cash the check for the amount written in words.

Sign the check on the bottom line on the right side of the check. If you want, write the reason for writing this check in the space provided on the bottom left side of the check, where it says “Memo.” Once you have written your check, record the check number, the date, the name of the person or company to whom the check is written and the amount in your checkbook register.

Deposit Ticket		
John B. Doe (555) 555-5555 1234 America Street American Town, US 10000		
DATE	July 8, 1998	
Financial Institution 123 Elm Street Any Town, USA 10000		
Currency ▶	220	00
Coin ▶		25
Checks ▶	225	25
Total ▶	445	50
Less Cash Received ▶	-45	50
Total Amount to be Deposited	400.00	
000000000	0000000000	0000

Figure 4: Sample Deposit Slip

If you make your deposit in person at your institution, you can get cash back. But you may only be able to get as much cash as you had in your account before making your deposit.

How do I add money to my account?

To add money to your account, you need to make a deposit. Your institution may give you preprinted deposit slips (see Figure 4) with your name, address and account number. If not, pick up blank deposit slips at your institution, and write in this information to make sure the money goes into your account and not someone else's. You also can deposit money at an Automated Teller Machine (ATM) or through Direct Deposit.

How do I deposit cash?

After writing your name, address and account number on the blank deposit slip (see Figure 4), fill in the current date. Add up the total amount of paper money (1's, 5's,

10's, 20's, etc.) and place this amount in the space next to "Currency." Add up the amount of any coins you wish to deposit. Place this amount next to "Coin." Write the total amount of your deposit (all currency and coins added together) in the space "Total." This is the amount that will be added to your account.

How do I deposit checks?

Endorse the checks. If you want to deposit an entire check into your account, write "For Deposit Only," followed by your signature and your account number. This way, the check can only be deposited into your account. This endorsement not only keeps others from cashing your check, but also means you cannot get cash back.

Make sure your name, address, account number and the current date are on your deposit slip (see Figure 4). Use a separate line on the front of the deposit slip for each check you want to deposit. If you have more than two or three checks, use the back of the deposit slip to list them. When you use the back of the deposit slip, be sure to list the total (all the checks added together) on the line “Total from Other Side” on the front of the deposit slip. If you have currency or coins to deposit with your check, list it on the deposit slip in the spaces provided.

After you have listed all the currency, coins and checks you want to deposit, add them up. Write this amount on the line marked “Total.” If you make your deposit in person at your institution, you can get cash back. But you may only be able to get as much cash as you had in your account before making your deposit. Write in the cash you want in the space next to “Less Cash Received,” and subtract it from the total. Write this amount on the line

“Total Deposit.” The “Total Deposit” is the amount that will go into your account.

Your institution may place a hold on newly deposited funds. This means you cannot use this money until the deposit clears. Federal law specifies when certain types of deposits must be made available. Depending upon the type of deposit, the funds must be available either the next business day, within two business days or within five business days (see Figure 5).

Longer holds may apply if:

- The institution has reason to believe a check you deposit will not be paid
- You deposit checks totaling more than \$5,000 on any one day
- You re-deposit a check that has been returned
- You have overdrawn your account repeatedly in the last six months

When will your money be available?

Type of Deposit	When Available**
• Direct Deposit of federal benefits	<i>Morning of deposit</i>
• Electronic payments	<i>Next business day (Mon-Fri)</i>
• First \$100 of any non-“next day” check deposited	<i>Next business day (Mon-Fri)</i>
• Cash (deposited in person)*	<i>Next business day (Mon-Fri)</i>
• U.S. Treasury checks (deposited in person or at ATMs owned by your bank)	<i>Next business day (Mon-Fri)</i>
• U.S. Postal Service money orders (deposited in person)*	<i>Next business day (Mon-Fri)</i>
• State or local government checks (deposited in person)*	<i>Next business day (Mon-Fri)</i>
• Cashier’s, certified, or teller’s checks (deposited in person)*	<i>Next business day (Mon-Fri)</i>
• Checks and other money orders drawn on another account at the same bank	<i>Next business day (Mon-Fri)</i>
• Federal Reserve Bank and Federal Home Loan Bank checks (deposited in person)*	<i>Next business day (Mon-Fri)</i>
• Checks and non-U.S. Postal Service orders from local banks	<i>Second business day (after the day of deposit)</i>
• Deposits (of items noted by “*”) made at an ATM owned by your bank	<i>Second business day (after the day of deposit)</i>
• Checks and non-U.S. Postal Service money orders from out-of-town or out-of-state banks	<i>Fifth business day (after the day of deposit)</i>
• Deposits made at an ATM not owned by your bank	<i>Fifth business day (after the day of deposit)</i>

** Maximum hold allowed by EFSA; your funds may be available sooner — check with your financial institution.

Figure 5: When Your Funds Will Be Available

- There is an emergency such as a failure of communications or computer equipment
- Your account has been open 30 days or less

There are two basic types of savings accounts. Passbook and statement savings accounts — offered by most institutions — are easy to use. You can deposit money into your account at the teller

window, at your ATM, by mail or by Direct Deposit. You can take money out of your account by using a withdrawal slip or an ATM card. There may be limits on the number of transfers you can make, such as moving money from one account

Financial Institution 123 Elm Street Any Town, USA 10000		
Deposit/Withdrawal Statement for the Month of: July		
Account: 0000-000000-00 Name: John B. Doe Ledger Balance: \$246.53		
Current Balance: \$246.53	Last Statement Balance: \$0.00	Available Balance: \$246.53
Date of Transaction	Amount	Description
7/03/98	350.00 +	Direct Deposit
7/04/98	25.80 -	CK# 100
7/05/98	108.17 -	CK# 101

Figure 6: Sample Statement

How do I manage a savings account?

You need to manage your savings account so you always know how much money you have in it. Your institution will give you a passbook or savings account register to help you do this.

to another or paying bills by telephone. A fee may be charged if your balance drops beneath the minimum required.

With a passbook savings account, all of your transactions — deposits, withdrawals, interest earned and

fees — are recorded in a small booklet, called a passbook. Take your passbook to the institution when you want to make a deposit, withdrawal or find out how much interest you have earned. The teller will print the transaction, interest earned and your new balance in the passbook.

With a statement savings account, you will get a periodic statement that lists your transactions and interest earned during that period.

Tips for managing your account.

If you have a statement savings account, you will get a statement, usually quarterly, that lists all your transactions since your last statement — deposits, withdrawals, interest earned and fees charged.

Keep track of deposits.

Making a deposit means adding money to your account. Your institution will give you receipts for the deposits you make at the teller window, at an ATM or by mail. Save these receipts. Record your deposits in your account register.

Keep track of withdrawals.

To take money from your account, you need to make a withdrawal. You can pick up a withdrawal slip from your institution. Fill in your name, signature, date and the

amount you want to take out of your account, then give the withdrawal slip to the teller. The teller will ask for identification, such as a driver's license. Some institutions may ask for a thumb print. You also can withdraw money from an ATM.

Compare your records with your institution's records.

If you have a statement savings account, you will get a statement (see Figure 6), usually quarterly, that lists all your transactions since your last statement — deposits, withdrawals, interest earned and fees charged. Contact your institution immediately if you find an error.

Make sure all the deposits you made are included on the statement.

If one of your deposits made before the closing date is not included on the statement, you will need your receipt to prove that you made the deposit. Deposits made after the statement closing date will not show up until your next statement. Keep these receipts until the deposits show up on your statement.

Make sure all the withdrawals you made are included on the statement. Remember that recent withdrawals may not show up until the next statement. Compare your receipts with the statement. There

Be sure to add the interest you earn to the balance shown in your account register.

After you have subtracted any fees, added any interest (dividends)

PLEASE BE SURE TO DEDUCT CHARGES THAT AFFECT YOUR ACCOUNT

ITEM NO. OR TRANS CODE	DATE	TRANSACTION DESCRIPTION	SUBTRACTIONS		✓ T	(-) FEE IF ANY	ADDITIONS	BALANCE
			AMOUNT OF PAYMENT OR WITHDRAWAL (-)					
								30 50
	7/3	Direct Deposit					+350 00	+350 00
100	7/4	XYZ Hardware	-25 80					380 50
101	7/5	ABC Insurance Co.	-108 17					-25 80
								354 70
ATM	7/7	ATM withdrawal (ATM Fee)	-30 00					-108 17
			-1 00					246 53
	7/8	Deposit					+400 00	-31 00
								215 53
102	7/8	Mortgage Co.	-235 00					+400 00
								615 53
								-235 00
								380 53

Figure 7: Sample Check Register

may also be charges or other fees. For example, your account may be charged a fee if you use an ATM from another institution. Be sure to subtract these charges from your account register.

Add any interest (dividends) earned to your account register.

Your statement will also tell you how much interest your account has earned since the last statement. The larger your account balance, the more interest you will earn.

earned and considered any deposits or withdrawals made after the closing date, your balance should be the same as the balance shown in your check register. If not, call your institution. They can help you resolve any differences.

How do I manage a checking account?

The check register helps you keep track of how much money is in your account. This will help you avoid fees for bounced checks or

for dropping below any minimum balance requirements. Here are some tips to help you manage your account.

write, withdrawals you make from ATMs and payments automatically taken from your account. Be sure to subtract any fees or service

Balance your check register.

PLEASE BE SURE TO DEDUCT CHARGES THAT AFFECT YOUR ACCOUNT							
ITEM NO. OR TRANS CODE	DATE	TRANSACTION DESCRIPTION	SUBTRACTIONS AMOUNT OF PAYMENT OR WITHDRAWAL (¢)	✓ T	(FEE ANY	ADDITIONS	BALANCE
							30 50
	7/3	Direct Deposit		✓		+350 00	+350 00
100	7/4	XYZ Hardware	-25 80	✓			380 50
101	7/5	ABC Insurance Co.	-108 17	✓			-25 80
							354 70
ATM	7/7	ATM withdrawal (ATM Fee)	-30 00				-108 17
			-1 00				246 53
	7/8	Deposit				+400 00	-31 00
							215 53
102	7/8	Mortgage Co.	-235 00				+400 00
							615 53
							-235 00
							380 53

Figure 8: Balancing Check Register

Keep track of deposits.

Make sure you add any deposits to your balance in the check register (see Figure 7). When you make deposits, save the receipts. They can help correct mistakes. Remember to add any automatic or Electronic Funds Transfer (EFT) deposits you may get to your checking account register when they are deposited.

Keep track of withdrawals.

Record and subtract any checks you

charges from your account balance, including fees for ATM use.

Balance your check register.

Balance your check register every time you get a statement from your institution. Your statement shows all account transactions since the last statement. Balancing your check register means comparing the information in the statement with the information you have recorded in your check register.

Statements often have a worksheet

printed on the back (see Figure 9) to make balancing your check register easier.

How do I balance my account?

Start with your statement. Make sure each item listed on your statement is recorded in your check register and that the amount agrees with what you have recorded. Once you have checked an item, place a check (✓) next to it on both the statement and in your check register (see Figure 8). This will help you to see which items listed in your register have already cleared your institution and will help you to avoid overlooking an item listed on your statement. Be sure to subtract from your register any fees and service charges listed on your statement. Place check marks next to these items in your check register to show that they have already been deducted by your institution.

Identify outstanding transactions. An outstanding transaction is one that has not cleared, or been paid out, by your institution by the statement closing date. You can easily see which transactions have not cleared in your check register:

They do not have checks (✓) next to them. You may have made deposits since the statement closing date that do not appear on the statement. List them, and add up the total. You probably will have written several checks or made withdrawals that do not appear on your statement. List these too, and add up the total.

Balance your check register.

(See Figure 9.) Start with the closing balance shown on the statement from your institution. Add any outstanding deposits. Next, subtract any outstanding checks and withdrawals. The total after adding outstanding deposits and subtracting outstanding checks and withdrawals should be the same as the balance in your check register. If not, follow these tips to help you find the error:

- **Check your math!** You may have made a mistake in your check register when adding or subtracting a transaction.

Or you may have made a mistake when adding outstanding deposits or outstanding checks.

Financial Institution
 123 Elm Street
 Any Town, USA 10000

ACCOUNT BALANCING WORKSHEET

BEFORE BALANCING YOUR STATEMENT:

1. REFER TO THE LISTING OF CHECKS ON THE FRONT OF THE STATEMENT. MARK THE ENTRY IN YOUR CHECKBOOK FOR EACH CHECK LISTED.
2. LIST AT THE RIGHT THE AMOUNTS OF ALL CHECKS NOT MARKED OFF IN YOUR CHECKBOOK REGISTER INCLUDING OUTSTANDING CHECKS FROM PRIOR STATEMENTS.
3. DEDUCT FROM YOUR CHECKBOOK BALANCE ANY DEPOSITS, WITHDRAWALS, OR SERVICE CHARGES LISTED ON THIS STATEMENT THAT YOU HAVE NOT ALREADY RECORDED.

OUTSTANDING CHECKS

CHECK NO.	AMOUNT
ATM	30 <u>00</u>
FEE	1 <u>00</u>
102	235 <u>00</u>
AMOUNT	266 <u>00</u>

4. LIST AT RIGHT ANY RECENT DEPOSITS WHICH ARE NOT LISTED ON YOUR STATEMENT.

DEPOSITS NOT CREDITED

DATE OF DEPOSIT	AMOUNT
7/8	400 <u>00</u>
TOTAL	400 <u>00</u>

TO BALANCE:

5. ENTER HERE THE CLOSING BALANCE ON THE FRONT OF THIS STATEMENT.
6. ADD DEPOSITS NOT CREDITED (ITEM "4" ABOVE).
7. SUBTRACT OUTSTANDING CHECKS (ITEM "2" ABOVE).

THIS FIGURE SHOULD AGREE WITH YOUR CURRENT CHECKBOOK BALANCE. IF IT DOES NOT AGREE, REVIEW ALL THE ABOVE STEPS AND, IF NECESSARY, YOUR CHECKBOOK ENTRIES.

ACCOUNT RECONCILIATION

STATEMENT BALANCE	246 <u>53</u>
DEPOSITS NOT LISTED	400 <u>00</u>
SUBTOTAL	646 <u>53</u>
CHECKS NOT CLEARED	266 <u>00</u>
CURRENT CHECKBOOK BALANCE	380 <u>53</u>

Figure 9: Sample Account Balancing Worksheet

- **Look for missing check numbers.** Look in your check register to make sure that you did not forget to record a check you wrote.
- **Double-check your statement.** Make sure the items that you show as outstanding in your register are not listed on the statement. Make sure the amounts shown on your statement for deposits and withdrawals match the amounts recorded in your register.
- **Call your institution.** If you still cannot find the error, call your institution. They will help you reconcile your account. Some institutions charge a fee for this service. The fee is usually based on the amount of time needed to find and correct the error.

Developed by the Financial Services Education Coalition:

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 Credit Union National Association, Inc.
 Federal Deposit Insurance Corporation
 Federal Reserve Board

Federal Trade Commission
 Independent Bankers Association of America
 National Association of Federal Credit Unions
 National Community Reinvestment Coalition
 National Consumers League
 National Foundation for Consumer Credit
 Organization for a New Equality

U.S. Department of Agriculture
 Cooperative State Research,
 Education and Extension Service
 U.S. Department of the Treasury,
 Financial Management Service

THE FACTS: Automated Teller Machines (ATMs)

What is an ATM?

An Automated Teller Machine — commonly known as an ATM — gives you access to your account 24 hours a day in most locations by using your ATM card and Personal Identification Number (PIN).

Your PIN is the password for your account. Your PIN may be assigned to you, or you may be able to choose it. Do not use your birth date, address or anything that might be easily guessed by someone who may steal your card. Do not share your PIN with anyone, or write your PIN on the card.

How do I use my ATM card?

Most things that you can do at your financial institution, you can

do at an ATM. Get cash. Make a deposit. Check your account balance. Transfer money.

Some ATMs simply give out cash. That means you cannot use them to make deposits, transfer money or perform other transactions. ATMs located in convenience stores, movie theaters, hotel lobbies and other high-traffic areas may charge higher fees.

If you are thinking about getting an ATM card, ask your institution if they charge a:

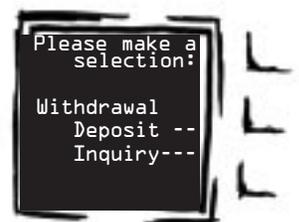
- Monthly or yearly fee to use the card
- Fee to use the card at your institution's ATMs
- Fee to use the card at other institutions' ATMs

Step 1 — Insert your ATM card into the card slot of the machine.



Step 2 — Enter your PIN.

Step 3 — Follow the directions on the ATM screen.
In communities where several languages are spoken, many machines give directions in different languages.



If the ATM says withdrawals must be made in denominations or increments of \$10 or \$20, that means it only carries 10- or 20-dollar bills. For example, you need \$50 and the ATM screen says your withdrawal must be in \$20 increments. You can request either \$40 or \$60 and the machine will give you two or three \$20 bills. There is no need to withdraw \$20 in two or three separate withdrawals.

Most institutions limit the amount of money you can take out each day — usually \$100 to \$600.

Your institution may offer services through an ATM network. Networks link together the ATMs of banks, savings and loan associations, and credit unions. Networks give you access to your account while you are in other neighborhoods, cities or out of the country.

To avoid fees, use an ATM owned by your institution. If you cannot, look for an ATM network name or logo that matches the one on your ATM card. Network names include Star*, Cirrus* and Plus*. While

you can use these machines, you might pay fees to your institution, the institution that owns the ATM, or both.

ATM Tips

Take these steps to protect your account.

- Sign the back of your card as soon as you get it. Read the information that comes with it.
- Memorize your PIN — do not write it on your card or keep it in your wallet.
- Do not bend or scratch your card. Keep it away from hot or magnetic surfaces.
- Cover the ATM key pad when you type your PIN so other people cannot see it.
- Avoid using ATM machines at night if they are not in well-lit and safe areas. Take a friend along for safety. Some police stations have ATM machines in their lobbies.

** Mention of any product or service does not imply endorsement by the Financial Services Education Coalition.*

- Keep your receipts, and record any deposits and withdrawals you make with your ATM card in your checkbook or savings account register. Remember to subtract any fees.
- Compare your records with your statement. Contact your institution immediately if there are any errors. Call first, and follow up with a letter.
- Within two business days after you learn of the loss or theft of your card — you will be held responsible for no more than \$50 in unauthorized withdrawals.
- After two business days, but within 60 days after the institution sends you a statement showing an unauthorized withdrawal — you could lose up to \$500.

What do I do if my ATM card is lost or stolen?

Call your institution right away, and follow up with a letter. The longer you wait, the more money you may lose. If you report your card missing before it is used, you will not be held responsible for any unauthorized use.

If you report your card missing after it is used, the amount you can be held responsible for depends on how quickly you report the loss.



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AARP
American Bankers Association
Call For Action, Inc.
Consumer Information Center
Credit Union National Association, Inc.
Federal Deposit Insurance Corporation
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National Association of Federal Credit Unions
National Community Reinvestment Coalition
National Consumers League
National Foundation for Consumer Credit
Organization for a New Equality

U.S. Department of Agriculture
Cooperative State Research,
Education and Extension Service
U.S. Department of the Treasury,
Financial Management Service

THE FACTS: Debit Cards



Debit cards are sometimes called check cards because the amount of your purchase is automatically deducted from your checking or share draft account.

What is a debit card?

A debit card is a plastic card that can be used in Automated Teller Machines (ATMs) to get money or at Point of Sale (POS) terminals to buy something. Many businesses also allow you to obtain cash when making a purchase. Some businesses add a fee if a debit card is used. Still, debit cards are convenient and some can be used in other countries. Generally, your debit card can be used where you see the logo on your card posted on an ATM, a store's door or a cash register. You usually do not have to show other types of identification when using your debit card.

Debit cards are sometimes called check cards because the amount of your purchase is automatically deducted from your checking or share draft account. Be careful not to confuse them with your credit card. Some financial institutions charge a monthly fee and/or a per-transaction fee for debit card use. Check with your institution.

Types of debit cards:

PIN-Based Debit Cards

- Your Personal Identification Number or PIN (account

password) authorizes the transaction.

- The amount of the transaction is immediately deducted from your account.
- Financial institutions generally issue these cards to all account holders requesting them.

Signature-Based Debit Cards

Signature-based debit cards offer the same services as PIN-based debit cards, including the following features:

- Your signature authorizes the transaction.
- The amount of the transaction is generally deducted from your account within two to three business days after the transaction.
- You may have to meet financial institution requirements (satisfactory credit history, account in good standing and/or account open for a specified period of time) to receive cards with this feature. Check with your financial institution for specific information.

Record your debit card transactions in your checkbook register. Compare them to your statement. Contact your institution immediately if there are any errors.

Debit Card Safety Tips

- Record your debit card transactions in your checkbook register. Compare them to your statement. Contact your institution immediately if there are any errors. Call first, and follow up with a letter.
- Keep your debit card in a safe spot. Do not share your PIN with anyone. Know where your card is at all times.
- Keep your account number, card expiration date and the telephone number of your institution handy in case your card is lost or stolen.

What do I do if my debit card is lost or stolen?

Call your institution right away, and follow up with a letter. The longer you wait, the more money you may lose. If you report your card missing before it is used, you will not be held responsible for any unauthorized use.

If you report your card missing after it is used, the amount you can be held responsible for depends on how quickly you report the loss.

- Within two business days after you learn of the loss or theft of your card — you can be held responsible for no more than \$50 in unauthorized withdrawals.
- After two business days, but within 60 days after the institution sends you a statement showing an unauthorized withdrawal — you could lose up to \$500.
- After 60 days — you could lose all the money that was taken from your account after the end of the 60 days and before you report your card missing.

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 National Consumers League
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 Organization for a New Equality

U.S. Department of Agriculture
 Cooperative State Research,
 Education and Extension Service
 U.S. Department of the Treasury,
 Financial Management Service

THE FACTS: Frequently Asked Questions

Q: What is electronic banking?

A: To most people, electronic banking means 24-hour access in most locations to cash through an Automated Teller Machine (ATM), or Direct Deposit of paychecks or benefit checks into checking, share draft or savings accounts.

Electronic banking, also known as Electronic Funds Transfer (EFT), uses computer technology instead of checks and other paper transactions. An ATM or debit card with a Personal Identification Number (PIN) gives you electronic access to your accounts.

Q: What do I do if my ATM or debit card is lost or stolen?

A: Call your financial institution right away and follow up with a letter. The longer you wait, the more money you may lose. If you report your ATM or debit card missing before it is used, you will not be held responsible for any unauthorized use.

If you report your card missing after it is used, the amount you can be held responsible for depends on how quickly you report the loss.

- Within two business days after you learn of the loss or theft of your card — you can be held responsible for no more than \$50 in unauthorized withdrawals.
- After two business days, but within 60 days after the institution sends you a statement showing an unauthorized withdrawal — you could lose up to \$500.
- After 60 days — you could lose all the money that was taken from your account after the end of the 60 days and before you report your card missing.

Q: How do I correct EFT errors on my account?

A: Call your institution and follow up with a letter. You have 60 days from the date your statement was mailed to contact your institution. If you miss the deadline, your institution does not have to investigate.

Once you call the institution, it has:

- Ten business days to investigate the problem

- One business day to correct the error after finding it
- Three business days to tell you the results of the investigation

There is an exception:

If the money in question is returned to your account within 10 business days of when you notified the institution of the error, the institution can take up to 45 days to investigate. If no error is found, the institution may take back the money in question if it sends you a written explanation.

Q: What is Direct Deposit?

A: Direct Deposit is the electronic transfer of your salary, government benefit or other payment into your checking, share draft or savings account.

Q: How will I know if a Direct Deposit, such as my Social Security benefit, has been deposited into my account?

A: You can call your institution. Many have automated telephone lines that let you access account information. You may be able to check your account balance at an

ATM. Or you can check your statement when it comes in the mail.

Q: What record will I have of my EFT deposits and withdrawals?

A: You will get receipts whenever you use your ATM or debit card. You also will get statements, monthly or quarterly, showing all transactions on your account.

Q: How soon can I use money from a Direct Deposit?

A: The money is available to you the morning of the payment date. For example, if your Social Security benefit is due the third day of each month, your money will be available that morning.

Q: How soon can I use money I deposit into my account?

A: That depends on whether you deposit cash or a check and, if you deposit a check, the type of check and where it is from. Federal law sets the time limits for “holds” on funds and your access to them. The chart on the following page explains the different types of deposits and when you have access to those funds.

When will your money be available?

Type of Deposit

- Direct Deposit of federal benefits
- Electronic payments
- First \$100 of any non-“next day” check deposited
- Cash (deposited in person)*
- U.S. Treasury checks (deposited in person or at ATMs owned by your bank)
- U.S. Postal Service money orders (deposited in person)*
- State or local government checks (deposited in person)*
- Cashier’s, certified, or teller’s checks (deposited in person)*
- Checks and other money orders drawn on another account at the same bank
- Federal Reserve Bank and Federal Home Loan Bank checks (deposited in person)*
- Checks and non-U.S. Postal Service orders from local banks
- Deposits (of items noted by “*”) made at an ATM owned by your bank
- Checks and non-U.S. Postal Service money orders from out-of-town or out-of-state banks
- Deposits made at an ATM not owned by your bank

When Available**

Morning of deposit

Next business day (Mon-Fri)

Second business day (after the day of deposit)

Second business day (after the day of deposit)

Fifth business day (after the day of deposit)

Fifth business day (after the day of deposit)

** Maximum hold allowed by EFSA; your funds may be available sooner — check with your financial institution.

When Your Funds Will Be Available

Longer holds may apply if:

- The institution has reason to believe a check you deposit will not be paid
- You deposit checks totaling more than \$5,000 on any one day
- You re-deposit a check that has been returned
- You have overdrawn your account repeatedly in the last six months
- There is an emergency such as a failure of communications or computer equipment
- Your account has been open 30 days or less

Q: What is an attachment? Can my federal benefits be attached?

A: An attachment allows people you owe to take money from your account by going through the courts. Money in your account can be attached for any debts you owe to creditors, the federal government or for child support. Supplemental Security Income (SSI), Social Security, Veterans and Railroad Retirement benefits are exempt from attachment, with limited exceptions. However, federal salary

and Civil Service Retirement payments can be attached.

Account fees are not considered an attachment, but financial institutions can deduct fees, or any other obligations owed to the financial institution, from your account.

Q. Where can I get information and assistance?

A: Agencies responsible for carrying out consumer protection laws that cover financial services also provide information and assistance to consumers. For more information or to file a complaint, contact:

Federal Deposit Insurance Corporation (FDIC)

Division of Compliance and

Consumer Affairs

550 17th Street, N.W.

Washington, DC 20429

1-800-934-3342

<consumer@fdic.com>

(Regulates state-chartered banks that are not members of the Federal Reserve System.)

Board of Governors of the Federal Reserve System

Division of Consumer and Community Affairs
 20th and C Streets, N.W.
 Mail Stop 800
 Washington, DC 20551
 202-452-3693
 TDD: 202-452-3544
(Regulates state-chartered banks and trust companies that are members of the Federal Reserve System.)

Comptroller of the Currency

Customer Assistance Group
 1301 McKinney, Suite 3710
 Houston, TX 77010
 1-800-613-6743
(Regulates banks with “National” in the name or “N.A.” after the name.)

National Credit Union Administration

Office of Public and Congressional Affairs
 1775 Duke Street
 Alexandria, VA 22314-3428
 703-518-6300
(Regulates federally chartered credit unions and oversees the National Credit Union Share Insurance Fund for federally insured credit unions.)

Office of Thrift Supervision

Division of Consumer and Civil Rights
 Office of Community Investment
 1700 G Street, N.W.
 Washington, DC 20552
 202-906-5900
 1-800-842-6929
(Regulates federal savings and loans and federal savings banks.)

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|---|---|---|
| AARP | Federal Trade Commission | U.S. Department of Agriculture |
| American Bankers Association | Independent Bankers Association of America | Cooperative State Research, Education and Extension Service |
| Call For Action, Inc. | National Association of Federal Credit Unions | U.S. Department of the Treasury, |
| Consumer Information Center | National Community Reinvestment Coalition | Financial Management Service |
| Credit Union National Association, Inc. | National Consumers League | |
| Federal Deposit Insurance Corporation | National Foundation for Consumer Credit | |
| Federal Reserve Board | Organization for a New Equality | |

Glossary

Automated Teller Machine (ATM)

A machine that allows account holders to make deposits or withdrawals and perform other transactions 24 hours a day at most locations. To use an ATM, you need an ATM card and a Personal Identification Number (PIN).

Automated Teller Machine (ATM) Card

A plastic card with a magnetic strip. With an ATM card and a PIN, you can make deposits or withdrawals from ATMs.

Automated Teller Machine (ATM) Network

A regional, national or international network that enables consumers to do transactions at ATMs. Your financial institution must belong to the network for you to use the network ATM.

Balance

The amount of money you have in your deposit account.

Balancing

Comparing your account records to the monthly or quarterly statement provided by your financial institution, adding any interest earned and subtracting any fees charged. When you have finished, the closing balance on the institution's statement should equal the balance shown in your records, after taking into consideration any outstanding transactions.

Banks

Financial institutions that are businesses operating under federal and state regulations. They offer a variety of services such as savings accounts, checking accounts, safe deposit boxes, loans and investments. Accounts in most banks are insured against loss by the Federal Deposit Insurance Corporation (FDIC).

Basic Checking Account

A checking account that usually allows a limited number of deposits and withdrawals for a minimum fee.

Bounced Checks

When a check you wrote reaches the financial institution and there is not enough money in your account to cover it, your institution returns the check to the person or business you wrote it to, and charges you a fee (often as much as \$25). Checks returned to the person or business you wrote them to are said to “bounce.” Put money in your account to cover the check, as it will be re-deposited.

Branch

Financial institutions may have several locations: a central or main location and others. Other locations are called branches.

Cashier's Check

You provide cash or money from your account in the amount of the check plus a service charge (usually from \$2 to \$5), and tell the institution for whom the check is intended. The institution writes a check (also called a bank check or teller's check) for you that is guaranteed not to bounce. Available from financial institutions.

Certificate of Deposit (CD)

A specialized savings account that involves depositing money for a fixed period of time (such as three or six months, one or five years). Money usually earns more interest in a CD than in a regular savings account. Longer periods may result in higher interest rates. Taking out money sooner than you promised means paying penalties and possibly losing any interest you may have earned.

Certified Check

A check you write and take to your financial institution. The institution will mark it “certified” for a fee (usually from \$2 to \$5) and place a hold on the funds in your account until the check clears. A certified check is guaranteed not to bounce.

Checks

Forms from your financial institution or available through mail-order companies. Checks allow you to send money from your checking account through the mail or pay at stores without the risk of losing cash, and serve as receipts for payments you make in person or by mail.

Checkbook

A plastic folder with pockets for holding checks and your checkbook register.

Checkbook Register

A booklet for keeping track of deposits, withdrawals and checks written on your checking account, essential for making sure you always know how much money is in your account.

Checking Account

A deposit account that allows you to write checks, to pay bills or for purchases. The checks are drawn on money you deposit.

Clears

A check you write clears when the amount of the check has been withdrawn from your checking account by the financial institution.

Closing Balance

On your monthly or quarterly statement, the closing balance is the amount of money in your account at the end of the statement time

period. The closing balance reflects any fees or service charges and withdrawals taken from your account, plus all deposits and interest added to your account during the statement time period.

Club Account

A type of savings account that you “join” to save money for a special reason, such as holidays or a family vacation. Club accounts typically require that regular deposits be made. Interest rates are usually lower than for regular savings accounts.

Cooperatives

Member-owned, member-controlled, not-for-profit organizations that exist for the benefit of those using their services.

Credit Unions

Non-profit financial institutions owned by members who have something in common. You must be within the credit union’s field of membership to join a credit union. All individuals must share a common bond with one another either in a single group, a multiple group or a community credit union. There are three types of common bonds. 1) *Work-related*: If your employer belongs to a credit union, you should be eligible to join. 2) *Mutual interest*: Your house of worship or local community group may have started or may belong to a credit union you can join. 3) *Where you live*: Your neighborhood or county may have established a community credit union for all people living within your geographic area.

Credit unions operate under federal or state laws. Many offer a variety of services such as share (savings) accounts, share draft (checking) accounts and ATM cards. Accounts in credit unions are insured. Most credit unions have their accounts insured by the federal government. Some state-chartered credit unions have private insurance.

Currency

Paper money, such as 1-, 5-, 10- or 20-dollar bills.

Debit Card

A plastic card sometimes called a “Check Card” that looks like a credit card and is embedded with a magnetic strip. With a debit card you can make deposits to, or withdrawals from, your checking account at ATMs, or pay for goods and services at stores and other businesses. Some debit card transactions require a Personal Identification Number (PIN), and the money comes out of your account immediately.

Denomination

The face value of paper money, such as \$1, \$5 and \$10.

Deposit

Cash or checks you add to your checking or savings account. Also, the act of adding money to your checking or savings account.

Deposit Account

An account (checking, share draft or savings) at a financial institution to which you can add money.

Deposit Slips

Forms, provided by your financial institution, that you fill out to add money to your account. They include information about you (your name, address and account number), and the checks, currency and coins you wish to add to your savings or checking account.

Direct Deposit

The electronic transfer of your salary, government benefit or other payment into your checking, share draft or savings account.

Dividends

A term credit unions use for interest earned on accounts.

Electronic Funds Transfer (EFT)

Money transactions to or from checking and savings accounts that do not require paper (checks or cash) but use computer technology. Examples include Direct Deposit, Automated Teller Machine (ATM) and debit card transactions.

Electronic Payments

Deposits to your checking or savings account through Direct Deposit or automatic withdrawals from your account to pay bills.

Endorse

To sign the back of a check made out to you so that it can be cashed.

Endorsement

Information added to the back of a check so that it may be cashed by the person or business to whom the check is written.

Federal Deposit Insurance

Insurance for money deposited in financial institutions displaying the logo of the Federal Deposit Insurance Corporation or National Credit Union Administration. Funds are protected from loss up to \$100,000 per depositor.

Federal Deposit Insurance Corporation (FDIC)

Federal government agency that provides federal deposit insurance for member banks and thrift institutions. Member institutions must display the FDIC logo. In general, accounts are insured for up to \$100,000 per depositor. If you have questions about FDIC insurance or problems with an FDIC-supervised institution, call 1-800-934-3342.

Fees

Money charged by financial institutions for various services.

Financial Institutions

Businesses, including banks, savings and loans, and credit unions, that provide services such as checking accounts, savings accounts, loans and more.

Hold

Checks you deposit in your account may be held until the funds clear and may not be available for one, two or five business days from the day of deposit. See fact sheets *Frequently Asked Questions* or *Using Deposit Accounts* for more detailed information about holds.

Increments

ATMs may tell you that your withdrawal must be in increments of 20 dollars. That means the machine has only 20-dollar bills, so you must request \$20, \$40, \$60, etc.

Interest

Money you earn for funds in a savings account and certain checking accounts.

Interest Rate

Financial institutions pay you for funds you deposit in savings accounts and certain checking accounts. The money they pay you is called interest, or dividends for credit unions. The interest rate is the percentage, usually stated as an Annual Percentage Yield (APY), they will pay. For example, a \$100 deposit in a savings account earning 5% APY would earn \$5 after one year.

Minimum Balance Requirements

Some checking, share draft or savings accounts require that you keep a certain amount of money (a minimum balance) in your account to avoid paying an account fee.

Money Orders

Similar to checks, they're used for paying bills or making purchases in cases where cash is not acceptable. Many businesses sell money orders for a fee.

Mortgage

A special type of long-term loan used to borrow money for a house.

National Credit Union Administration (NCUA)

The federal agency that regulates and provides deposit insurance for federal credit unions. Accounts are insured at federally insured credit unions for up to \$100,000 per depositor.

No Frills Checking Account

A basic checking account that usually allows a limited number of deposits and withdrawals for a minimum fee.

Outstanding Transaction

A check or withdrawal that has not yet been taken from (or a deposit that has not yet been added to) your account, or has not yet shown up on your account statement.

Penalty

A fee you pay for taking money out of a CD or Share Certificate before the agreed upon time.

Personal Identification Number (PIN)

Your own special password or set of numbers for using ATM or debit cards.

Point of Sale (POS) Terminals

Machines located at grocery stores and other businesses which accept ATM or debit cards for purchases.

Postdating

The ill-advised practice of writing a check without having the money in your account and writing a future date on the check.

Safe Deposit Box

A secure place for keeping important documents and other valuables within a financial institution. Financial institutions charge a fee for safe deposit boxes.

Savings Account

Accounts, available from financial institutions, where you deposit your money for safekeeping. Money in a savings account usually earns interest.

Savings & Loan Associations (S&Ls)

Financial institutions similar to banks. Federally insured S&Ls display the logo of the FDIC.

Service Charges

Fees you pay to financial institutions for processing transactions and maintaining your account.

Share Accounts

Savings accounts offered by credit unions.

Share Certificates

Certificates of Deposit (CDs) offered by credit unions.

Share Draft Accounts

Checking accounts offered by credit unions.

Signature Card

A form you complete and sign when opening an account. The signature you provide may be used to verify your signature on checks and withdrawals. Signing the signature card means you accept the fees, terms and conditions of the account.

Special Purpose Account

Same as a club account.

Starter Checks

Checks (usually five or six) provided to you by your financial institution when you first open a checking or share draft account to use until your preprinted checks arrive.

Statement

A document you receive from your financial institution on a regular basis (monthly or quarterly) that provides details about deposits, withdrawals, checks, service charges, fees and interest earned for the previous month or three months.

Statement Closing Date

The last date for which transactions are included on your statement.

Teller

Employee at a financial institution you see to make deposits and withdrawals, cash checks, or do other business with your institution.

Teller's Check

Similar to a money order, but provided by financial institutions instead of other businesses.

Terminals

Computer-like machines that make it possible to use ATM and debit cards at locations far from your financial institution.

Transaction

The movement of money, including deposits and withdrawals from your account, and the exchange of money for goods and services.

United States Savings Bonds

Certificates you buy from the federal government for long-term savings. You lend your money to the government and receive interest. Savings Bonds are not insured, but are backed by the full faith and credit of the U.S. government.

Withdrawal

Taking money out of your account, whether in person or through an ATM or debit card.

Withdrawal Slip

Form used to take money from your account in person at your financial institution.

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