

U.S.A. Banking Introduction

What you need to know about the U.S. Banking system



Regulations

Disclosures

Privacy

Lending





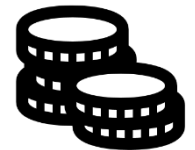
Federal Reserve

- The Federal Reserve is the central banking system of the U.S.
 - Government agency that regulates the banking system
 - Maintains financial system
 - Protects consumer's credit rights

<https://www.federalreserve.gov/aboutthefed.htm>

Currency is created by the U.S. Department of the Treasury

Fun Fact: One of the 3 major United States Mints is in Denver, Colorado



Differences between Banks and Credit Unions

Banks

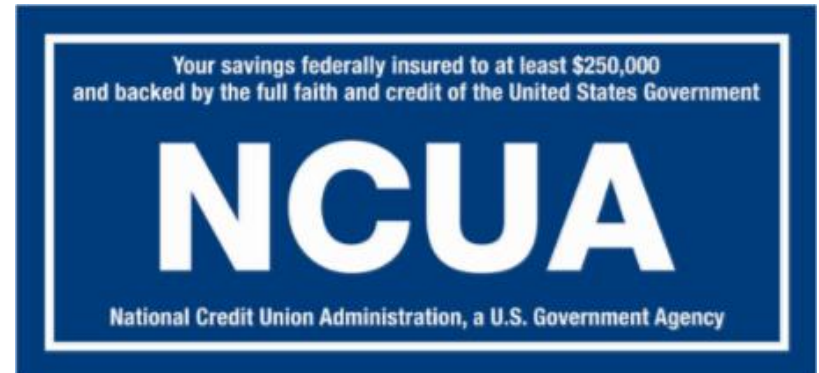
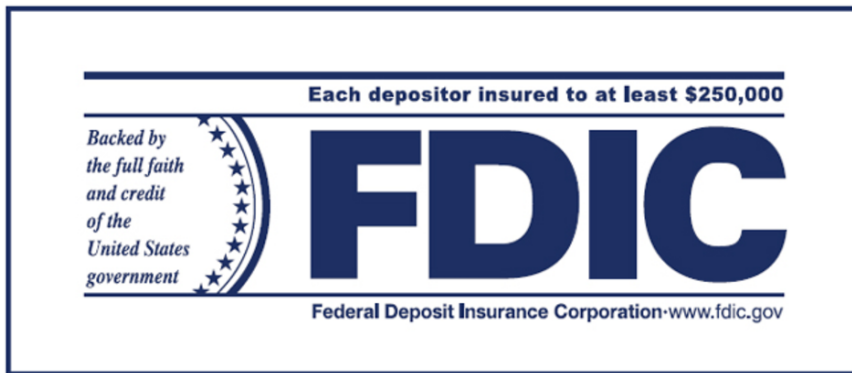
- Owned by stockholders
- For Profit
- Open to the general public
- Typically have large networks of ATMs

Credit Unions

- Owned by members (account holders)
- Not for Profit
- Local and organized to serve the interests of its membership, Community Minded
- Cooperate with other credit unions to provide larger ATM access

Banks and Credit Unions

- The Federal Deposit Insurance Corporation (FDIC) insures deposits held in bank accounts – up to \$250,000
- The National Credit Union Administration (NCUA) insures deposits held in credit union accounts – up to \$250,000



Account Types

- Checking
- Savings



Savings Accounts

Savings Accounts:

- interest
- Overdraft Protection
- Regulation D
 - Limit of 6 transfers per month from savings

Higher Yield Savings Accounts

- CDs
- Money Markets

Checking Accounts



- Easily pay for expenses
 - Food, books, tuition, clothes
- Deposit money you receive
 - Money from home, loans, stipends
- Keep your money safe
- Transaction history
 - This is easily accessible through Online Banking



How to Write a Check

1. Date
2. Payee
3. Amount (numeric)
4. Amount (written)
5. Signature
6. Memo

John Doe
123 Main St
Anywhere US 10111

Date 01/01/2016

PAY TO THE ORDER OF THE SANDWICH SHOP \$ 8.15

EIGHT AND 15/100 DOLLARS

Your Bank
456 Main St
Anywhere US 10111

MEMO Lunch w/ Friends Jane Doe

⑆123456789⑆ 1001001234 0790

Routing Number

Account Number



Checking

ATMs: withdraw cash, make deposits, or cash checks through an Automated Teller Machine

Personal Identification Number (PIN)

A four-digit number you choose as a password

Checking



Debit Cards:

Allows access to ATMs, online purchases, and used for point-of-sale (POS) transactions. Money is withdrawn directly from your checking account. Your PIN or signature may be required for these types of transactions.

The Difference between Debit and Credit

Debit Card

- Money is withdrawn straight from your bank account
- Can't spend more than you have
- Does not impact your credit score

Credit Card

- Money is borrowed
- Must be payed back at a fixed interest rate by a fixed date
 - Not paying money back on time has a negative impact on your credit score
- Sometimes have rewards programs

Checking



Online and Mobile Banking:

Access to accounts via computer or smartphone.

- Check account balance
- View transaction history
- Transfer money



Online Bill Pay: Pay your bills online. This can be automated.

Mobile Deposit: Allows you to take a photo of your check to deposit it.

Checking



Alerts

- Balance Alerts
- Cleared Check Alerts
- Transaction Alerts

Alerts can be set up to be received via email, text message, or push alert.



Overdraft Options

- Overdraft Protection
 - link other accounts to your checking account such as a savings.
 - Regulation D
- Overdraft Coverage
 - coverage for overdrafts that incurs a fee

Checking

Wire Transfers: If someone outside the United States needs to wire money to you, it can be sent directly to your checking account, quickly. The bank sending the money needs to know the following.

- Full Account Number (can be found at the bottom of your check)
- Account Routing Number (can be found at the bottom of your check)
- Your Name
- Your Address on File with Bank or Credit Union
- Certain restrictions apply for some countries.
See your banking representative for details



Joint Accounts

- A joint account is owned by more than one person.
 - The joint account holder must be present at account opening, or added when both parties are present
 - The joint account holder has full access to the account including their own debit card, online banking login, and checks.
 - Both owners are responsible for the other's activity on the account

Account Opening

At account opening you must provide the following information.

- Name
- Local U.S. address
- Mailing Address
- Phone number
- Email address
- Social Security Number or IRS Individual Taxpayer Identification Number (TIN)

You are also required to provide two valid forms of personal identification (ID): two primary, or one primary and one secondary.

Account Opening

- Primary IDs: All primary ID types must show your photo, the issuing country, the ID number, and both the issue and expiration dates.
 - Original Passport
 - Employment Authorization Card
 - Resident Alien ID Card or Permanent Resident Card
 - Mexican Matricula Consular Card
- Discuss additional identification options with your bank or credit union representative

Account Opening

- Social Security numbers are identification numbers used in the United States to identify people who pay taxes
 - You need a Social Security number to apply for credit

Account Opening

- You and the Member Service Representative go through the account application
 - ID
 - Signature Card
 - Account Number
 - Debit Card
 - \$5 deposit

Checklist for Smooth Finances

- Ask for Wiring Instructions for your account
- Get your Debit Card
- Sign up for Online Banking
- Get some temporary checks

Learn more about Ent

- Visit us online at <https://www.ent.com/>
- Call us at (719)574-1100 or 800-525-9623
- Visit us at the UCCS Ent Service Center in the University Center

Questions?



Works Cited

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