

2019 - 2020



The University of Texas at Austin  
Office of Scholarships  
and Financial Aid

# BANKING 101

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*What you need to know now!*

# Why do you need a bank account?

- Great tool for managing your personal finances
- **Account** statements can help you determine how and where you are spending your money and put you on track for a reasonable savings plan.
- Savings **accounts** often pay interest, which basically earns you free money.

# Banks Provide Safety



Both banks and credit unions insure most deposits **up to \$100,000** per depositor per institution.



**FDIC: Federal Deposit  
Insurance Corporation**



**NCUA: National Credit  
Union Administration**

# Services Offered By Banks

- Checking Accounts
- Savings Accounts
- Loans
- Money Orders & Cashier Checks
- Insurance
- Notary
- Identity/Credit Monitoring
- Credit Cards

# Checking Accounts

90%

of transactions  
involving money are  
made with checks.

# How do I write a check?



**1** Date MM-DD-YYYY

**2** Pay to the order of **Payee Name Goes Here** **3** \$ **20.25**

**4** Twenty and 25/100 ~~~~~ Dollars

**6** MEMO Note about the check **5** Your Signature

000000000 000000000000 0000

1. Current date
2. Payee (name of person or organization you're paying)
3. Amount in dollars
4. Amount in words
5. Your signature
6. Note about the check (optional)

# Savings Accounts

## Why should I have savings?

- To reach financial goals
- To cover emergencies
- To make major purchases
- To provide for retirement



# Savings Accounts

## Types

- Online Savings Account
- Money Market Account
- Interest Checking Account
- CD Account
- IRA & Trust Accounts
- Investment Options

# Savings Accounts

## Rule of 72

- Divide **72** by the interest rate to estimate the number of years it takes for your money to double
- For example: At **6%** your money will double in 12 years

# Loans

- Auto Loans
- Student Loans
- Mortgage Loans
- Personal Loans
- Business Loans



## Money Orders

v.s

## Cashier's Checks

Most grocery stores, post offices, pharmacies	<b>Where to Get Them</b>	Banks and credit unions only
Perceived to be less secure	<b>Trust</b>	Guaranteed by the bank
As low as \$1	<b>Cost</b>	\$10 or more
Only the first \$200 available within 1 day	<b>Funds Availability</b>	The first \$5,000 available within 1 day

# Insurance



- Auto Insurance
- Health Insurance
- Home Insurance
- Business Insurance

# Notary Services

- A notary public (or notary, or public notary) verifies the authenticity of your most important transactions.
- Their consent is often the final step in establishing power of attorney, closing on a home, or opening a retirement account.

# Notary Service Examples

- Estates
- Deeds
- Powers of attorney
- Affidavits
- Licenses
- Contracts
- Loan documents
- Trusts

# Notary Services

- Cost is typically \$25
- Your bank should offer notary services to account holders for free.

## How to Get a Notarized Document

1. Visit a Notary
2. Provide your identity
3. Sign the document
4. Have the Notary stamp the document
5. Pay any fees



# Identity/Credit Monitoring

## Identity Monitoring

Tracks when personal information is used in ways that don't show up on credit reports

- Change of address requests
- Websites used by identity thieves to trade stolen information
- Court or arrest records

# Identity/Credit Monitoring

## Credit Monitoring

Tracks activity on credit reports only

- Change in credit limits
- Change in personal information
- New loan or credit card opened
- Credit history checked by third parties

# Credit Cards

- Build your credit
- Compare credit cards
- Better protection against fraud
- Purchase protection
- Emergencies

# Credit Card Types

- Secured Credit Card
- Balance Transfer Card
- Rewards Cards
- Student Credit Cards
- Store Cards