

DEPOSIT ACCOUNTS

Money is a good servant but a dangerous master.
— H.L. Hunt



LifeSmarts

Learn it. Love it.

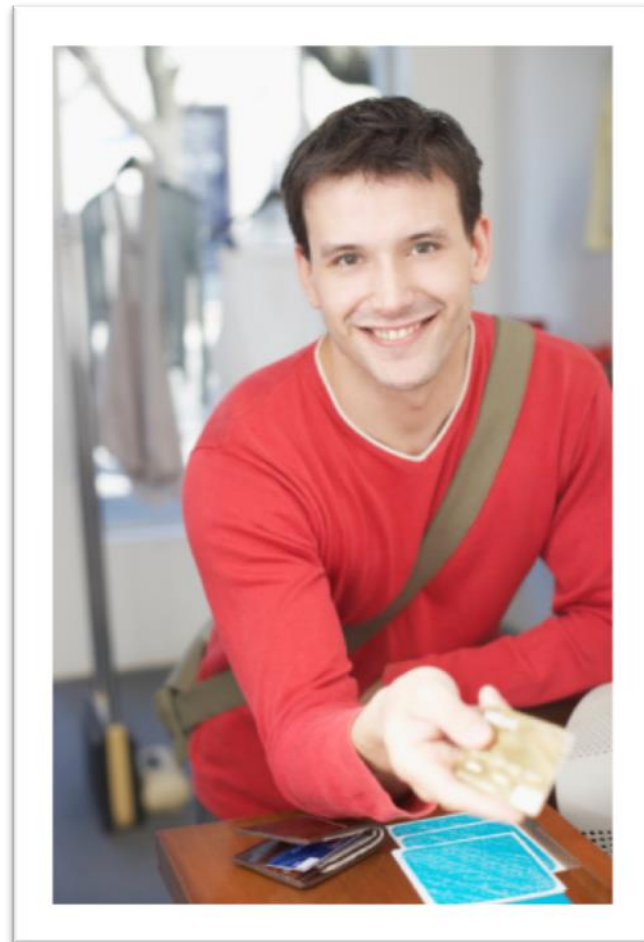


LifeSmarts is a program of the National Consumers League

Demand Deposit Accounts

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- Checking
 - Debit cards
 - Online transactions
- Passbook savings



I want a checking or savings account

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Where do I go?

Commercial Bank

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- Federal or State charter
- For profit
- Owned by stockholders
- Accounts for individuals and businesses



Savings and Loan Association

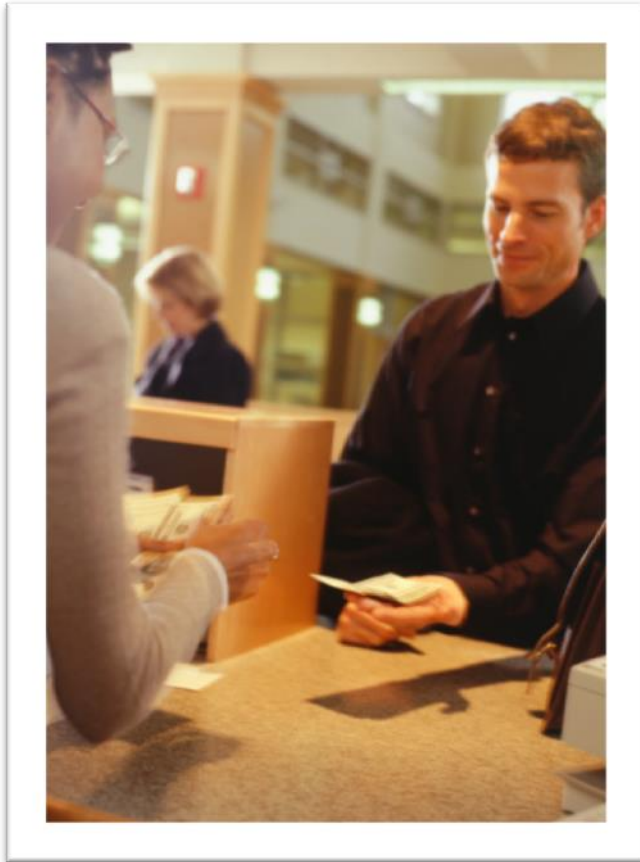
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- For profit
- Pays dividends on deposit (interest)
- Focuses on mortgages and loans



Credit Union

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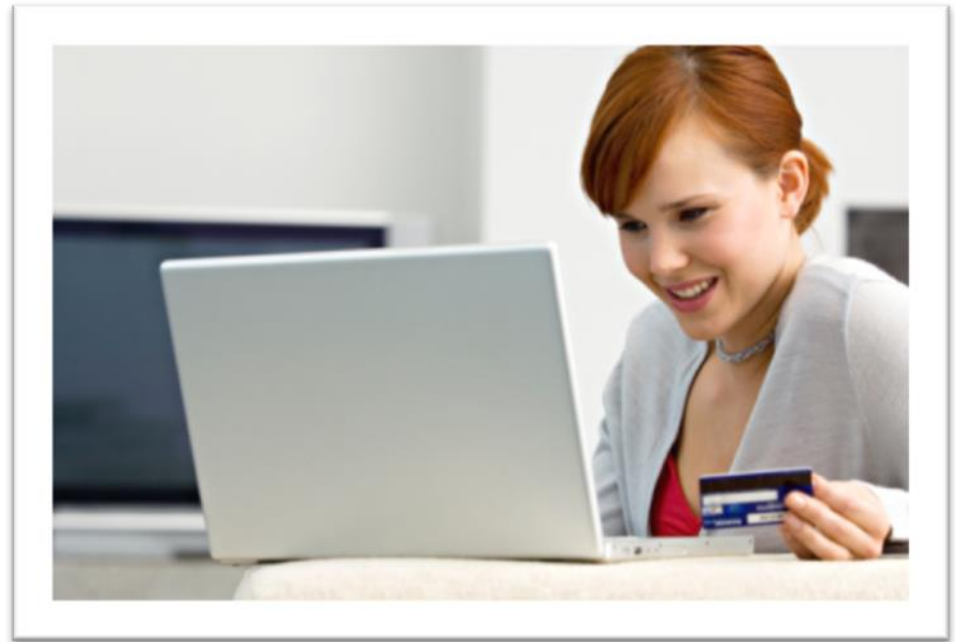


- Not for profit
- Member owned
- Lower operating costs

Cyber Bank

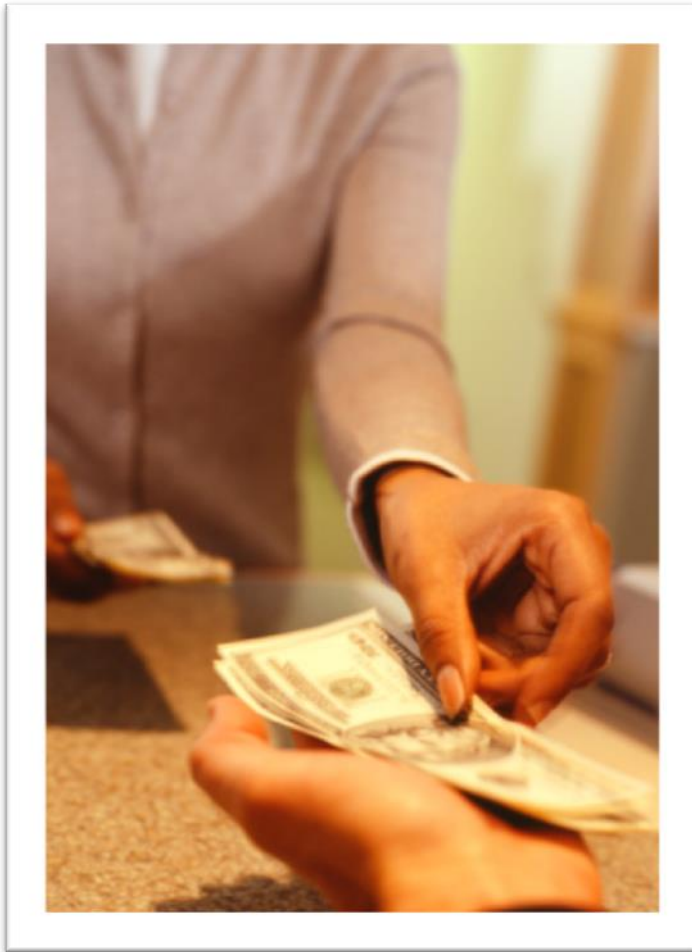
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- Transactions are electronic
- Banking is done via the internet



Consumer Finance Company

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- Cash advance
- Check cashing
- Pawn shop

What keeps my money safe?

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Account Insurance

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- Federal Deposit Insurance Corporation (FDIC)
- National Credit Union Association (NCUA)

How do financial institutions make money?

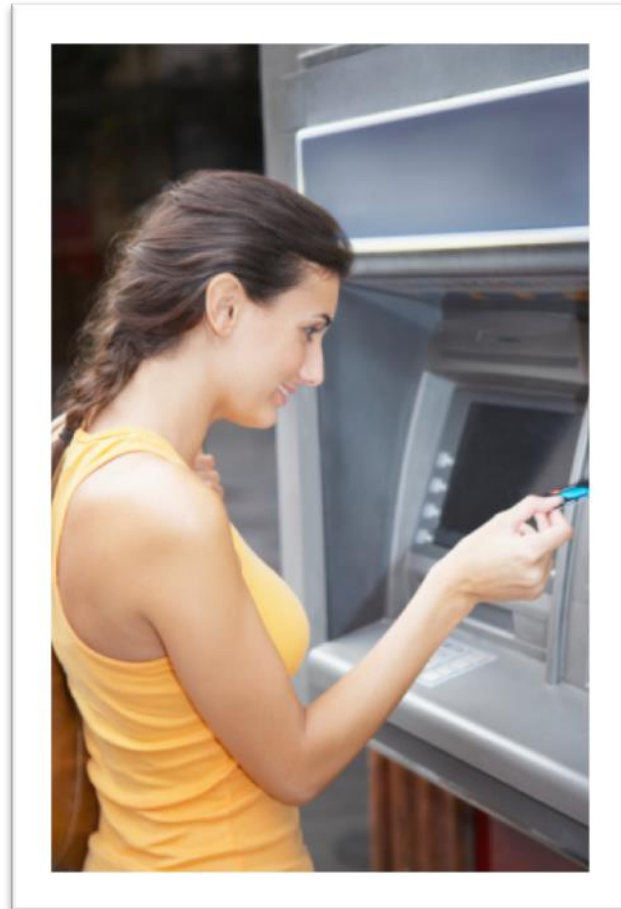
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Transaction or Service Fees

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- Cash machines
- Check cashing
- Overdraft protection



What are some of the other fees for service I should understand?

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- Some possible checking account fees:
 - Monthly service fee
 - Per check fee
 - Below minimum balance fee

What is the difference between an ATM and a cash machine?

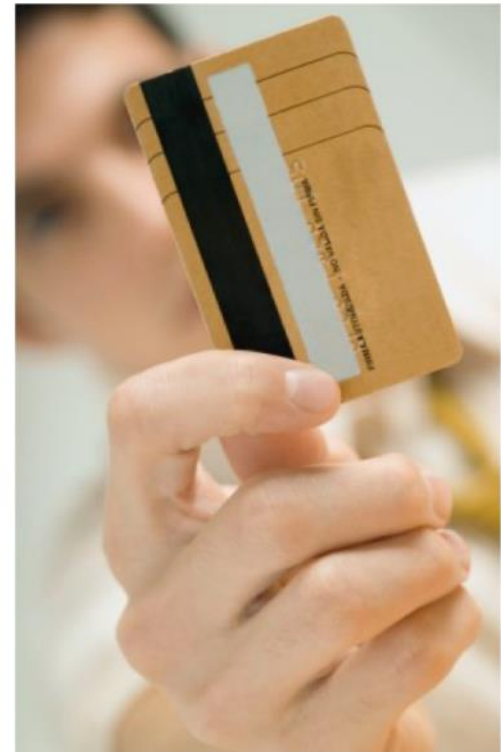
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- Customers of a financial institution can use that institution's ATM to accomplish a variety of transactions, hence the name – automatic teller machine.
- Cash machines give you cash by charging your debit or credit card.

Debit Cards

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- Alternate to checks or cash
- Online transactions
- ATM/Cash machine
- PIN #
- Linked directly to bank account



CAUTION!

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Yes, you can overdraw your account with a debit card.

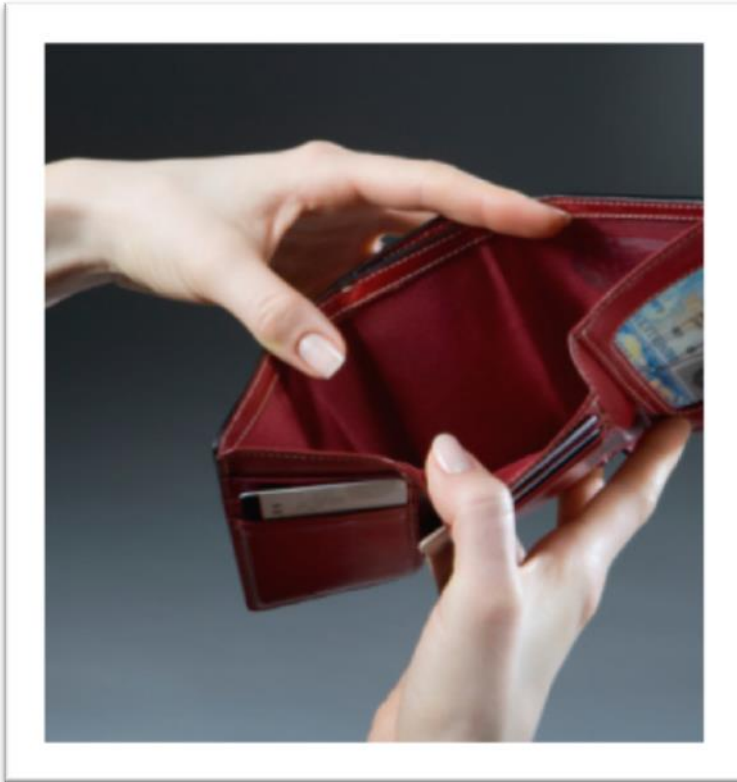
More about Fees

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- Financial institutions have fees for other services such as:
 - Non-sufficient funds (NSF) or bounced checks
 - Overdraft protection
 - Stop payment

NSF

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There are not enough funds in your account to cover a check or a debit purchase. The check is returned to the payee.

Overdraft Protection

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A prior arrangement with the financial institution to pay when your check exceeds the amount in your account.



Stop Payment

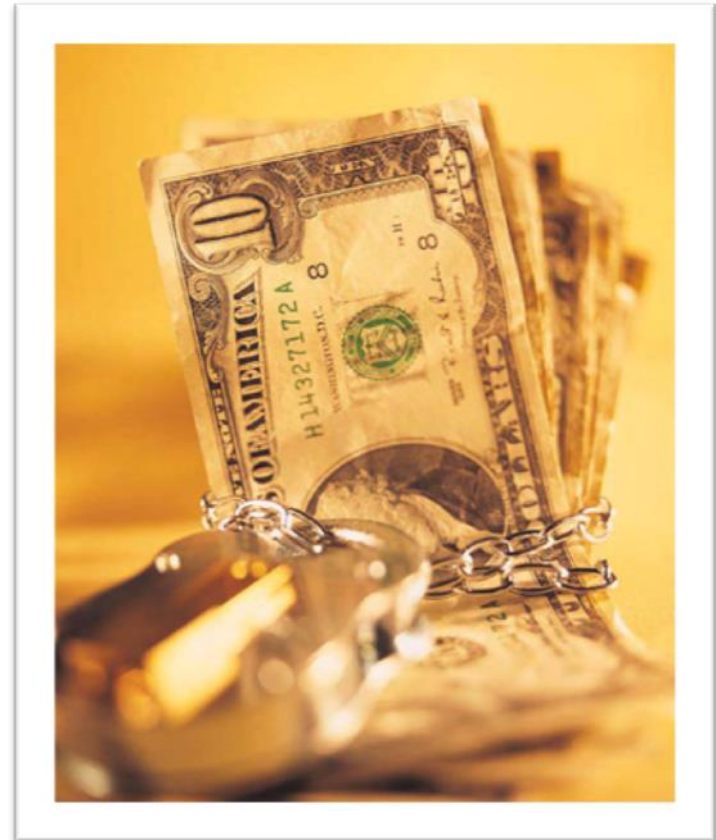
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- The consumer can request that the financial institution not pay on a check they have written.
- This must be done before the check is presented for payment.

Deposit Accounts and Identity Theft

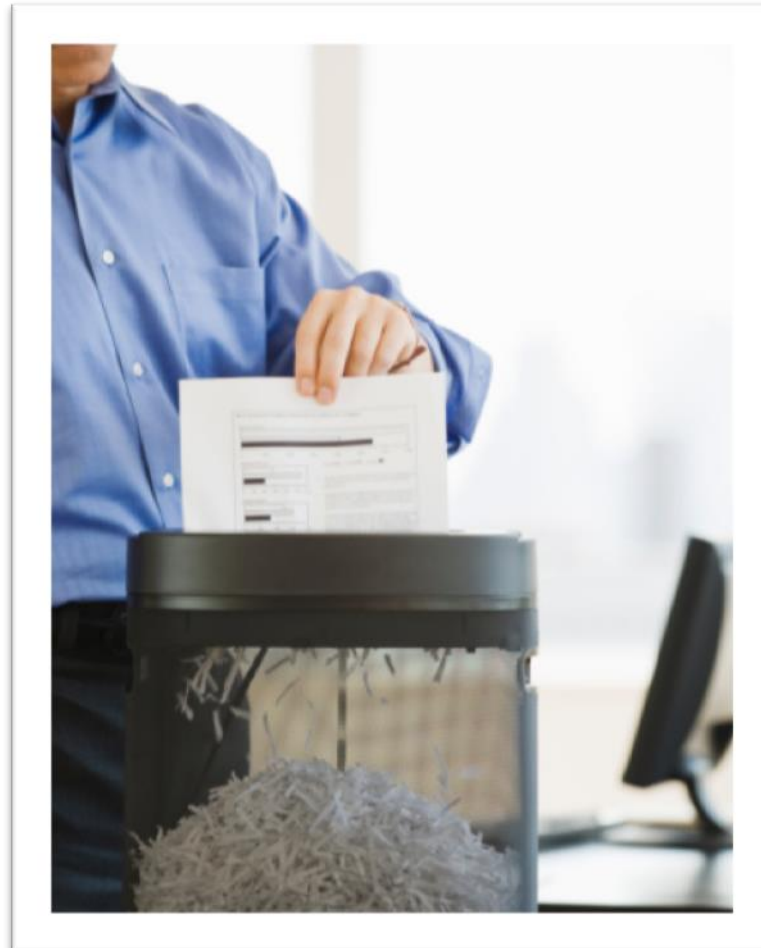
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- It is your responsibility to protect your account.
- Here are some tips from the Federal Reserve Board.



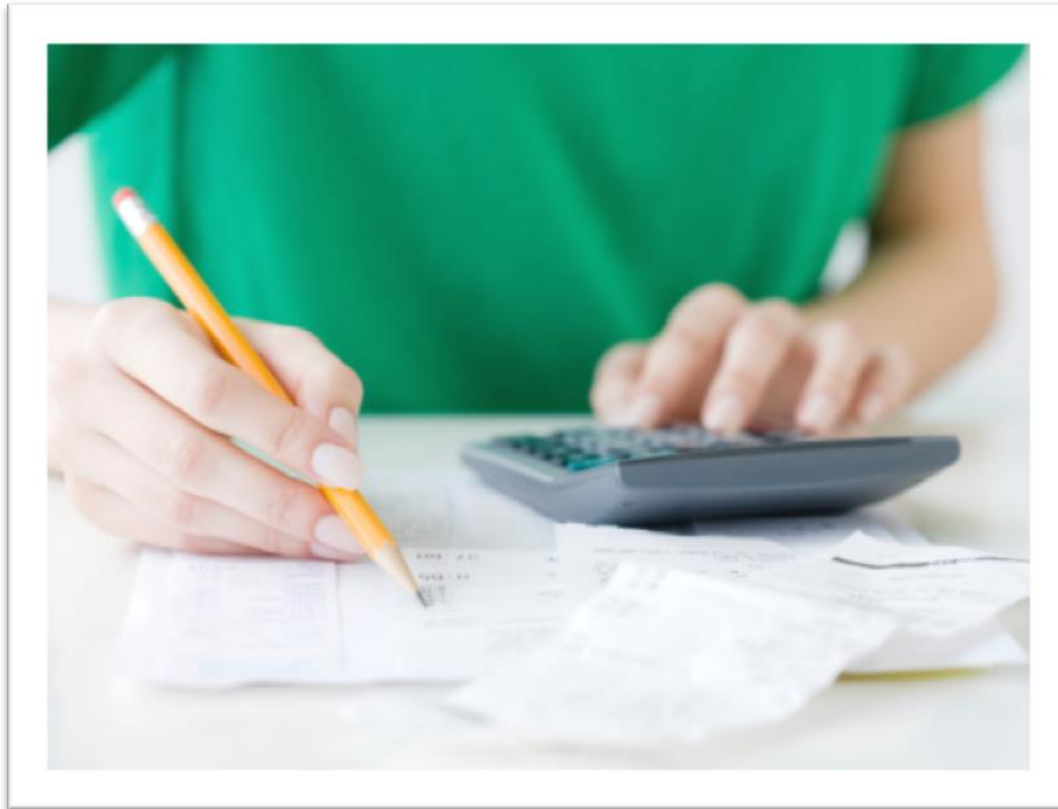
Don't give out account information

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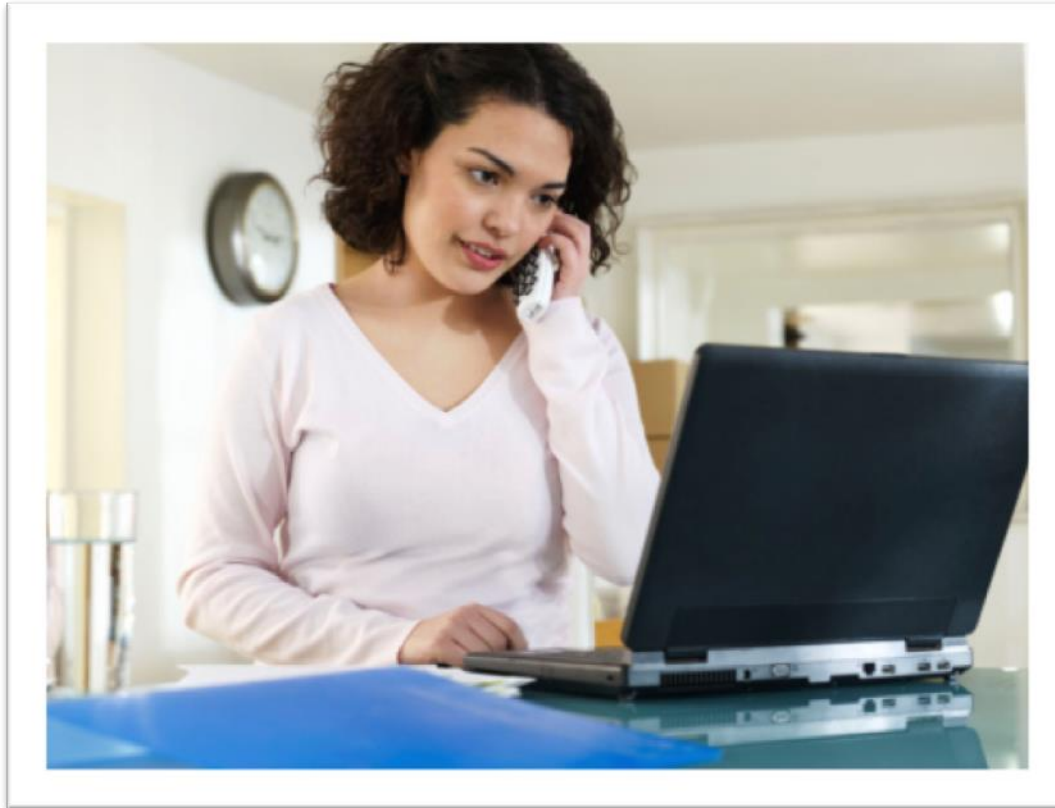
Review your monthly statement

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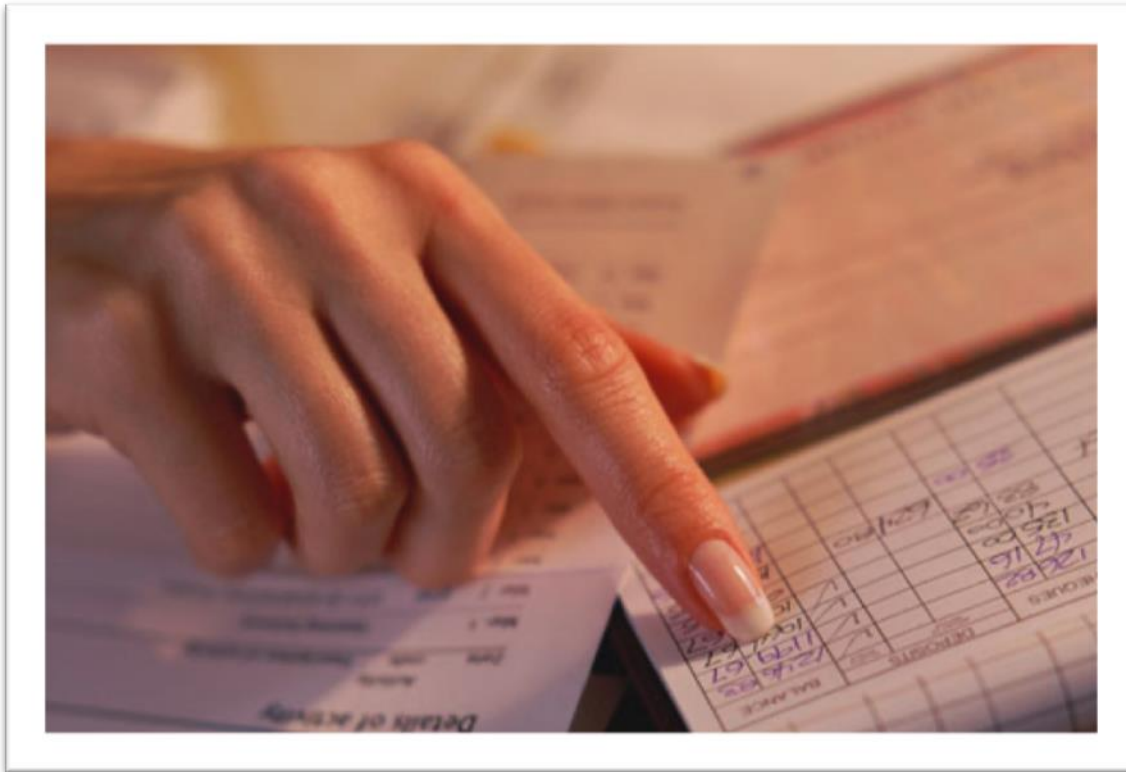
Notify your financial institution

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Keep accurate records

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Money Management

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Know your rights and responsibilities under consumer protection laws.

LifeSmarts is:

- An educational program teaching teens and tweens important real-life knowledge
- A teaching toolbox. [Check out our resources](#)
- An opportunity for students to gain leadership skills, and fulfill [community service requirements](#)
- A chance to develop strong partnerships with national groups such as FBLA and FCCLA

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