

BANKS AND CREDIT UNIONS

General Information

Banks and Credit Unions are the safest place to keep your money. Most banks are insured by the [Federal Deposit Insurance Corporation \(FDIC\)](#), and credit unions are insured by the [National Credit Union Administration \(NCUA\)](#). In order to open a bank or credit union account, you will need to present a government-issued ID card (such as a Driver's License or Municipal Card), and your social security card or ITIN #.

Why Should I Have a Bank or Credit Union Account?

- Banks and credit unions provide the convenience of keeping track of the amount of money you have available, making money management easier.
- Bank users establish relationships with financial institution staff, which can help when applying for bank or credit union loans.

Benefits of Savings Accounts

- They are used to store your money safely as you reach your savings goals.
- They are intended for less frequent withdrawals than checking accounts.
- These accounts may earn interest (a direct payment to you, which is a percentage of your balance – the higher the balance, the higher the payment).

Benefits of Checking/Debit Accounts

- These are used for day-to-day purchases of goods and services.
- A checking account is safer than sending cash through postal mail and is less expensive than using money orders (most banks charge a fee for each money order requested.)
- Most allow deductions using either a debit card or a handwritten check.
- Like savings accounts, these also may earn interest.

Checking Account Safety (From the Federal Reserve Board)

- Do not give your checking account or routing number out to any person or business that you don't know and trust.
- Review your monthly bank statements for mistakes. Make sure every transaction indicated on your bank statement is one you made. Contact your bank if there are any discrepancies. Sign up for free alerts from your bank to approve or decline any unusual transactions.
- Balance your checkbook by keeping track of checks you have written, debit card usage, ATM withdrawals, and deposits.

About Electronic Check Conversion (From the Federal Reserve Board)

- Paper checks are being turned into electronic debits more and more frequently. Debits are taken out of your checking account immediately – there is no delay as there is with paper checks.
- If a check you present in person is converted into an electronic debit, you will be given the original check back as a receipt.
- If you have mailed a check that is converted into an electronic debit, you will not receive the check back, even if you usually receive your checks or images back in your statement. Your bank statement is considered your receipt and proof of payment.
- Contact your bank if you have a problem with an electronic check conversion. More information is available at your state's consumer protection agency or attorney general's office.