



BANKING AMERICAN STYLE

WHAT SERVICES DO YOU NEED?

Banks are usually open Monday through Friday, and many are open Saturday morning. They are closed on Sundays and federal holidays. Automatic teller machines (ATMs) are typically open 24 hours a day. Banks offer a variety of financial services, including checking and savings accounts, certificates of deposit (CDs), ATMs, electronic banking, credit and debit cards, investment services, and estate planning. When selecting a bank, it is important to determine which of these services you may need. For example, if regular banking hours are not convenient for you, electronic banking or convenient ATM locations will be especially important. Select a bank that can provide the services that fit your schedule, preferences, and habits. You may also consider a U.S. bank that can easily transfer money with the bank in your home country, and take care of currency exchanges.

If you have questions about what type of account is best for you, make an appointment with a bank official to discuss your concerns. You may discover a variety of financial services that could be useful as you plan for your financial future. Many such services are free to bank customers, but it is wise to ask about any charges that may apply.

You may arrive in the United States with enough money to support your first year of study. Handle that money carefully—what may seem like a large amount upon arrival can quickly be spent in daily living—and speak with your bank about how your money can earn interest until you need it.

Upon returning to your home country with your U.S. degree, you may wish to maintain your account in a U.S. bank. Many international alumni choose to do so for a variety of reasons, including tax benefits and the security and stability of U.S. financial institutions.

TYPICAL BANK SERVICES

You will almost certainly need a **checking account** during your time in the United States. A checking account safeguards your money while allowing for easy payment of expenses. Some banks require their customers to maintain a minimum balance of funds in their checking accounts, but in such cases interest is often paid on deposits and the usual monthly service charge may be waived. If you plan to write very few checks, you may be able to save money by selecting a checking account that limits the number of checks you can write each month or that charges a per-check fee.

Virtually all checking accounts may be accessed using a plastic ATM card. The card is issued by the bank and may be used along with a personal identification number (PIN) to withdraw cash and make deposits at special banking machines. Each time you use the ATM, record the amount and reason you withdrew money. It is easy to overdraw your account (spend more money than you have) if you don't keep track of your ATM transactions.

Do not write a check for more money than is in your account. This is called "bouncing a check." It is illegal and you will be charged a penalty fee by your bank and the establishment to which you issued the check. "Bouncing a check" can also be embarrassing. A student identification card and a driver's license are usually needed to cash checks (changing a check into cash). Sometimes it is difficult to cash checks from your bank at another bank where you do not have an account.

A **savings account** is used to safeguard money for a prolonged period. Interest is paid on your deposits—generally at a low rate. Certificates of deposit (CD) are special accounts that pay higher interest than savings accounts, but you must leave the money untouched for a specified period (typically several months or years). The longer you leave the money on deposit, the higher the rate of interest paid.

Many banks offer so-called **NOW (notice-of-withdrawal) accounts** that combine features of checking and savings accounts. With a NOW account, you may write a certain number of checks each month; such accounts can be handy for students who maintain a relatively high balance and write relatively few checks.

Bank customers receive periodic reports, or "statements," of deposits, withdrawals, and interest paid. For most types of accounts, the statement is sent directly from the bank to your mailing address each month or quarter. It is your responsibility to review the report for accuracy.

Your bank may offer you a **credit card** with a charging limit. Credit cards are very convenient, but you should use them with caution. Credit card accounts are similar to short-term loans



CREDIT HISTORY

WHAT IS IT?
HOW DO I GET IT?

When you first arrive in the United States, you begin with no credit history. Your credit history begins automatically when you open or initiate a credit account or loan. A good credit history is evidence that you have managed your finances prudently over a period of time, whereas a poor credit history is evidence that your finances have not been managed well. Banks, insurance companies, apartment landlords, and even prospective employers may review your credit history in order to decide whether or not you can be trusted to fulfill your financial obligations.

Generally, a good credit history will help you to successfully secure bank loans or credit accounts at favorable interest rates. A poor credit history (paying bills late, applying for many credit cards, declaring bankruptcy) may result in your difficulty in obtaining bank loans, favorable insurance rates, and rental housing, and may even adversely affect your employment prospects in the United States. Many people review their credit history by contacting one of several credit bureaus (see sidebar for information on Experian, Equifax, and TransUnion) and ordering a copy of their credit history.

HANDLING MONEY SAFELY

Whether you pay by cash, check, credit card, or debit card, and whether you make the payment in person, by mail, or over the Internet, use caution. Don't keep large amounts of cash on your person or at home. Many students have had cash stolen or lost; be sure it doesn't happen to you! Take care that your credit card number and card expiration date do not fall into others' hands. If you lose your credit or debit card, report the loss immediately to the company or bank that issued the card. This will prevent unauthorized charges to your account.

Determine how much cash you will spend in a given day and carry that amount, plus an additional \$10 or \$20 that can be used in an emergency. Carry the cash in more than one place in case your pocket is picked. Men should carry their wallet in a

IDENTITY THEFT/SCAMS/FRAUD

Identity theft means that someone has taken some of your personal information (such as your name, address, Social Security Number, etc.) and used it to create one or more other "identities" that can then be used to gain access to your financial accounts.

How does this happen? There are many ways this can occur, and sometimes there is nothing the student can do to prevent it. One common example is when someone hacks into a computer system (such as a university or bank database) that contains your personal information. There are some things that you can do to reduce the chance that you will be a victim of identity theft.

Be very cautious about e-mails that you receive that ask for you to provide account information or verification. This is a very common form of fraud called "phishing." Someone will create a



TIPS FOR AVOIDING IDENTITY THEFT

- \$ Do not use your Social Security Number unless it is absolutely necessary, and never carry it with you. Some people prefer to memorize it.
- \$ Do not carry PIN numbers or passwords in a wallet with the cards they activate. Again, some people memorize their PIN and passwords.
- \$ Consider using a shredder to destroy old tax records, bank statements, and credit card statements instead of throwing them in the trash.
- \$ Do not leave mail in the mailbox overnight.
- \$ Never reply to e-mails that ask for personal information.
- \$ Don't download e-mail attachments from someone you do not know.
- \$ Order a free credit report every year and review it to make sure it is accurate. The credit report will contain general information about your credit history.