



TEENS & GRADS:
FREQUENTLY ASKED
BANKING QUESTIONS

CREDIT AND LOANS

- What is a credit score and why is it so important?

A credit score is a number that strongly indicates to lenders and creditors how likely you are to pay back debts that you owe. The higher your score, the more likely you are to be approved for credit. The importance of a good credit score is so vast because it determines a lot of things like getting credit cards and loans and also factors into how much your interest rate will be and how much you will qualify for. Your credit score is something that is always going to be with you once you establish credit so you need to make wise choices and decisions with your finances. Scores range from 350-850, and a good score is considered to be a score of 640 or higher.

- What can your credit score affect?

Credit scores can affect your eligibility and interest rate on any loan you apply for, your employment opportunities, and even your car insurance premiums. It is very important to maintain a good credit rating.

- How can you build up your credit score?

1) Get one credit card and use it wisely. Put something on it and pay off the balance in full every month. Also look for a card that reports to all three credit bureaus: TransUnion, Equifax, and Experian.

2) Add an installment loan to your credit mix. You will need to at least have this loan for 6 months to show a consistent payment schedule.

3) Pay down any credit cards that you have. It is recommended to pay off the highest-rate card first but another good strategy is to pay down the cards that are closest to their limit.

4) Use your cards sparingly. Try to avoid racking up a big balance on your credit card. You can increase your score by limiting your charges to no more than 30% of your limit.

5) Pay all of your bills on time every month, not just loans. If you are late one month, talk to your creditor and explain the details of your dilemma. Usually they will comply in making one late payment an exception that does not count against you.

- What is debt to income ratio?

This is the percentage of a consumer's monthly gross income that they use toward paying off their monthly debts. This is the figure that creditors look at to make sure that your bills are not exceeding what you are able to pay.

- You have found the car of your dreams and need a loan. What do you need to do to start the loan process at the bank?
First, pick up a loan application at the bank. Fill it out and sign it. When you visit with a Lendgen Bank lender for the first time, bring your two most recent paystubs as well as the year, make, model, and VIN of the vehicle you wish to purchase. This can help speed up the process for you.
- What are normal loan rates that you offer and also what determines what rate you will get on a loan?
Normal loan rates vary due to what the market is doing and can vary a little from bank to bank. The major determining factor of your loan rate depends on what your credit score is. This is why it is very important to keep a good credit history.
- What is the difference in getting a loan at the bank rather than getting a loan at cash stores?
Cash store loans (aka payday loans) are different than bank loans. They are easier to get but have much higher interest rates and are usually for smaller amounts. Bank loans are usually for larger amounts, usually have lower interest rates, and are financed for longer periods of time. Cash store loans are made for around 7-21 days, sometimes paid off at the next payday. These types of loans can be beneficial for those who have had issues acquiring credit at a bank because a bank will have more stringent guidelines for loan approvals. However, individuals usually end up with a much better interest rate at banks, so they may end up paying much less in the end than they would have at a cash store.

CHECKING AND SAVINGS ACCOUNTS

- How old do you need to be to have a checking account by yourself?
Account signature cards are binding contracts so you need to be of age (18 years old) to sign alone. However, you are able to have an account before 18 if a parent is on the account with you.
- If the amounts on a check differ, which does the bank honor?
The bank always goes by what is written out in words on the check so you always need to make sure that this is correct and that both the numbers and words match. If they do not, you need to get a replacement check from the issuer.
- If you want to write a check to get cash, who is it best to write it to?
Write it out to your name. This assures that the only one that will be cashing the check is you. A check written to "Cash" could be endorsed, or signed, by anyone.

- If you get a check from someone, how long do you have to cash it or deposit it?
You have six months to cash or deposit a check. A check that is more than six months old is considered “stale dated” and cannot be accepted by the bank. In this instance, you would need to go back to the issuer and ask them to issue you a new check.
- What do you need to do to a check in order to cash it or deposit it?
 - 1) To cash a check, endorse it by signing it on the back. Endorsing the check signifies that you are the one receiving the cash. For your security, wait until you are ready to cash it before endorsing it. If someone were to pick up an endorsed check, they could simply sign below your name and cash it themselves.
 - 2) To deposit a check, endorse it, and if you are depositing the entire amount, write “For Deposit Only” on the back. This means that you will not get cash back from the check. If you do want to get cash back from the check, just endorse the back of the check and fill out your deposit slip accordingly.
- What do you do if the check is written to you and your name is misspelled?
If the issuer of the check wrote the “Pay to the Order of ” line incorrectly , simply sign the back exactly as they wrote it, then sign it correctly underneath the first endorsement.
- What information is required on a deposit ticket?
The account holder’s name and account number, the date, and the deposit amount are all required fields on a deposit ticket. This assures the bank that the deposit is going to the correct account and also helps for research purposes in the future, if needed.
- How often should you reconcile your checkbook?
At the very least, you should balance your checkbook once per month. This can be done using your statement. However, with today’s technology, you have the ability to reconcile more often than monthly, even daily, with the help of online banking. This should be done to protect yourself from fraudulent activity on your account and to give you an accurate status of your accounts.
- You wish to open a new checking or savings account, but you live far away from our branches, or your schedule doesn’t allow you to come in a branch during business hours. What should you do?
If you wish to apply for a personal checking or savings account and you are at least 18 years of age, applying for an account online could be a great option. This user-friendly application takes about 10 minutes and will initiate the process of opening your account with our eBranch. To apply online, simply go to our website and click the “Open Now” button when viewing the type of account you wish to open.

DEBIT CARDS

- How does a debit card work?

A debit card is directly attached to your bank checking account. Most come with either the Visa or MasterCard logo and can be used anywhere that these forms of payments are accepted. Just like a credit card has a balance limit, you must have the available amount in your account for the transaction to be processed. Debit card transactions and/or holds can post to your account immediately depending on the vendor.

- What is the difference between a debit card and a credit card?

Debit cards and credit cards are accepted almost everywhere, offering convenience for customers. The difference in the two is where the cards pull the money for payment. A debit card takes it directly from your bank account and posts to your bank account within a couple of days. A credit card charges it to your line of credit. A credit card basically allows you to borrow money for transactions. The credit card company then sends a bill at the end of that cycle and often charges you interest for the time you borrowed those funds. With the debit card, no interest charges are involved and you must have the funds available in your account at the time of the purchase. With a credit card, you must keep your balance within the credit limit you were given by the credit card company. If you are able to discipline your spending, a credit card can be a good thing as long as you are able to be responsible with it.

- What is the difference between a debit card and an ATM card?

Debit cards can be used at both an ATM and for point-of sale purchases. Most ATM cards can only be used at ATMs.

- You just received your new debit card or ATM card in the mail. What should you do now?

You will need to activate your card by calling the number included in the mailing. You will also receive a PIN in a separate mailing in the next 2-3 business days.

- Can you change the PIN on your debit card or ATM card? How?

Simply bring your card into any of our branches to change it to the four-digit Personal Identification Number you wish.

- You either lost your debit card or it was stolen. What do you do?

You should notify Legence Bank as soon as possible in order to close your debit card by calling your local branch or by calling 1-800-360-8044. To contact someone after hours, please call 1-800-545-4274 and choose Option 6 for ATM/Card Services.

- Why is it better to run a transaction as a credit rather than a debit when using your debit card?
A signature based transaction is more secure than a PIN- based one. With identity theft on the rise, if there ever was a question about a purchase, the card company would be able to pull that transaction to check if the signature was yours or not. Also there is a risk of card readers. Hackers can pull the card number and your PIN if it is used to get access to your card and use it at a later date for fraudulent purchases. If you are given the option, and you should be, ask that your transaction be run as a credit. Both choices will post to your account in the same manner.
- Why do you have a \$1.00 transaction on your account?
Some merchants will pre-authorize your debit card to ensure that it is a valid account. It is simply a hold on your account. This hold will remain until the merchant submits the actual amount of the transaction and it posts to your account. Once the actual payment posts (typically within 2-3 days) the pre-authorization in the amount of \$1.00 will come off of your account. This is often seen with purchases made at gas stations.
- You're going on a trip. Should you notify Legence Bank?
If you will be using your debit card far away from home, especially if you will use it internationally, you should notify our operations department of where and which dates you will be traveling. This assures us that the card is being used by you and not for fraudulent activity, and makes sure that the card works properly for you while you travel.

ONLINE BANKING, BILL PAYMENT & MOBILE BANKING

- How can you access your bank account 24/7?
You have three service options to provide you with up-to-the-minute account information: Online Banking, Telephone Banking, and Mobile Banking. These services will help you keep an accurate status of your accounts and balances at all times.
 - 1) Online Banking is a web-based platform great for those that have internet access.
 - 2) Telephone Banking is a toll-free number that allows you to retrieve your balance as well as recent account activity using an automatic voice system. This can be used from any cell phone or land line phone.
 - 3) Mobile Banking is a text-based service great for anyone with a cell phone and unlimited texting on their cell phone plan.
- You're interested in either Online Banking, Telephone Banking, Mobile Banking, or a combination of these services. What should you do to get started?
Simply call or come by any of our branches. Any of our Customer Service Representatives will be happy to help you.

- What accounts should you be able to view through Online Banking?
You should be able to view all checking accounts, savings accounts, certificates of deposit, and loans. This is a convenience that keeps you aware of your financial standing at all times.
- Who should know your online banking password?
Only you should know your password and account information. If you feel that someone may know your password besides you, please contact the bank to have your credentials reset.
- You forgot your password to Online Banking and you think you're locked out. What should you do?
Simply contact the eBranch or any of our Customer Service Representatives in order to be reset. We will assist you in gaining access back to your Online Banking.
- You would like to change your Legence Bank Online Banking username. How do you do that?
Once you are logged in, click on the tab furthest to the right called "User Options". The last option listed on that tab allows you to change your username. Once you enter your new username, you will begin to use it in every subsequent login.
- What options do you have in paying your monthly bills?
 - 1) You can always write checks to pay your bills and mail them.
 - 2) However, online bill payment is a free and simple service that allows you to pay your bills conveniently in the comfort of your own home. Your bills can be paid in seconds rather than having to fill out a check, get a stamp, and take it to the post office.
 - 3) You will most likely also have the option of contacting the company you are paying and asking that the amount you owe be automatically deducted from your account each month. They will ask that you sign a form, and you will simply need to make sure that you have the funds available in your account on the day you have agreed to have the bill deducted.
- You receive a paper statement in the mail each month, but would like to receive it online now. What should you do?
Simply click on the "Activate eStatements" link on our website's homepage. Once you fill out a short application making your request, your accounts will be updated accordingly.

GENERAL QUESTIONS

- What exactly is Kasasa?

Kasasa is a free checking account that allows you to earn high interest AND receive ATM fee refunds nationwide. To earn the high interest rate, simply do the following during each qualification cycle:

- 1) Have a minimum of 10 debit card purchases post and clear to your account
- 2) Have 1 direct deposit OR ACH automatic payment OR online bill payment post and clear to your account
- 3) Access your online banking at least once, and
- 4) Receive eStatements rather than receive a paper statement in the mail

If you miss a month, don't worry. You will still receive a base interest rate and your ATM fee refunds, and have the opportunity to get right back to it the next month.

- How do you sign up for your paycheck to be direct deposited?

To have your paycheck automatically deposited into your checking account, simply talk to your employer. They will have a form for you to sign and ask that you give them a voided blank check. You can even split a paycheck between a checking and savings account. This process sometimes takes up to two pay periods to get started.

- What is considered a credit to an account?

Deposits are considered credits to the account, as they add money to your account balance. Withdrawals, checks, bill payments, and ACHs are all considered debits, which lower your account balance.

- What does APY mean?

APY stands for Annual Percentage Yield and is considered to be the true annual rate of return on money. This is the rate that is earned or paid in one year. It usually compounds on a monthly basis.

- What do you need to prepare if you were interested in going into the banking field?

A good start would be to complete at least two years of college in business-related classes. You don't necessarily need a degree but it will definitely help. Be flexible as today's bank employee is not just a teller or a loan officer. There are many job positions to begin but can often lead to future promotions.

If you have any additional questions, don't hesitate to come by any Legence Bank location to visit with one of our friendly Customer Service Representatives or call us at 1-800-360-8044.

We would be happy to help! Thank you!