



# Legence Bank Financial Literacy Curriculum

# Where to begin??

**In today's world, you need a method to transact and pay bills.**

**The solution = a checking account at a local bank**

**How do you go about opening an account?**

- **You will need to come into the bank and sit down with a bank employee**
- **They will request forms of identification to verify that you are opening a legitimate account for a legal person**
  - **Copy of Drivers License (your address must be correct)**
  - **Social Security number (you don't necessarily need the card, just your number)**
  - **Valid contact phone number for bank communications**
  - **Valid email address for bank communications**

# What type of account do you need?

**Make sure the account selected is the correct one to meet your needs.**

**Will you be using checks or debit card?  
Are there special benefits to certain accounts?**

**How much will you maintain in this account?**

**Does this account need to earn interest?**

**Who will be on the account with you?**

**Will you still be able to use this account should you move away or go off to college? Will it still be accessible to your needs?**

# Deposit Products

Checking  
Accounts

Savings  
Accounts

Certificates of  
Deposits (CD's)

Money Market  
Accounts (MM)

Individual  
Retirement  
Accounts (IRA's)

Christmas Club  
Accounts

# Checks



**CHECKS ARE ORDERED AND PRINTED ONCE OPENING AN ACCOUNT.**



**THEY ARE LISTED IN CONSECUTIVE ORDER FOR TRACKING PURPOSES..**



**AREAS REQUIRED ON A CHECK:**

- DATE**
- TO WHOM IT IS WRITTEN**
- THE AMOUNT (WRITTEN AND NUMBERS)**
- SIGNATURE OF WHOM THE CHECK IS WRITTEN FROM.**



**STALE DATED CHECK, STOP PAYMENTS, CHECK HOLDS, ENDORSEMENTS**

Bobby Bankrate  
123 Bankrate Boulevard  
New York, NY 10001  
555-555-5555

1111

Date: \_\_\_\_\_

Pay to the order of: \_\_\_\_\_ \$

\_\_\_\_\_dollars

**Generic  
Bank and Trust**

Memo \_\_\_\_\_

**|:123456789**      **|:10987654321**      **|:1111**

**ROUTING NUMBER**      **ACCOUNT NUMBER**      **CHECK NUMBER**

# Debit Cards



Another way to access money in your checking account.



Can be used anywhere Visa is accepted



Can be used at POS or ATM's



Attached directly to your checking account



Difference between debit vs. credit cards



When given the choice, should you run as debit or credit?



Travel alerts----- always update phone number with bank

# Tips for ATM and Debit Card Usage



**Never share your PIN with anyone.**



**If you worry that someone knows your PIN, call your bank and change it.**



**Always record your transactions or check online banking. Forgetting to record ATM withdrawals is one of the most common reasons for overdrafts.**



**Record fees for using out-of-network ATM's- if you use them a lot they can add up.**



**Be aware that some transactions do not show up automatically, some can take days to show up on your account.**

# Technology in Banking

Online  
Account  
Opening

Mobile App

Mobile  
Deposit

Card On/Off

P2P Payment

Personal  
Finance  
Manager



# What if you want to send someone money?

**SPIN (Social Payments Instant Network) is our FREE Person to Person (P2P) INSTANT transfer solution. Available to our customers through the Legence Bank App and Online Banking. (Comparable to Paypal, Venmo, etc.)**

**SPIN makes it EASY to pay your part of the dinner bill, pay someone back for concert tickets, pay the babysitter, or pay the lawn guy QUICKLY and HASSLE FREE.**

# How to setup SPIN (P2P Payments)



SPIN allows a user to send money from their Legence Bank checking account to someone else's checking account through the recipient's debit card in REAL TIME.



It's EASY to set up a new payee. You only need the recipient's cell phone number and/or their email address.



Once the payee is set up and confirmed, funds may then be sent to that recipient any time the sender wishes, and the funds will be moved in REAL TIME.

# Savings Accounts

**Savings accounts earn interest.**

**Interest is compounded daily and added quarterly.**

**Savings statements are issued quarterly.**

**Withdrawals are limited by federal regulation, REG D; allowed 12 per quarter; equals to 1 per week**

**Savings accounts are liquid assets, meaning you can access them at anytime. They aren't tied up like a certificate of deposit.**

**Most people have a checking and a savings account, where they transfer to and from each other when needed.**

# How to SAVE.....



**CREATE A BUDGET**



**PAY YOURSELF FIRST**



**DETERMINE YOUR  
MONTHLY BILLS AND  
FIGURE OUT WHAT YOU  
NEED TO LIVE ON**



**LEARN HOW TO MANAGE  
DEBT. (DEBT TO INCOME  
RATIO, WHAT IS DEBT, HOW  
IT WORKS, AND HOW TO  
REDUCE AND MANAGE IT)**



**PRIORITIZE YOUR NEEDS  
VS. YOUR WANTS**

# Steps to create a personalized BUDGET

## Income

Determine your income. Review your paystubs and identify what **your** take home pay is. Don't count overtime or **bonus**, as this isn't considered regular income.

## Expenses

Determine your expenses. Go over your fixed expenses vs. your flexible expenses.

## Create

Create a spending plan. This plan should meet your "needs" first, then the "wants" that you can afford.

## Review

Review your plan regularly. Does it meet your needs and help you achieve your goals? If not, make adjustments or create a new one that better fits your financial needs and goals.

# Be Accountable and Responsible with Your Money



Pay your bills **on-time**. Past due bills can **damage** your credit.



Do your research before making a big purchase.



Ask for help and guidance, but do the work for yourself. You will learn more by doing it on your own.

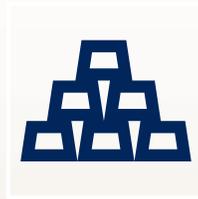


Increase your income if you **can**, if not decrease your spending.

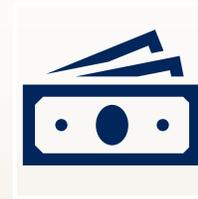
# Credit Products



**Credit Cards**



**Lines of Credit  
(LOC)**



**Installment  
Loans**



**Mortgages**

# Why do you need credit and why is it important?



- Credit is part of your financial power. It helps you get the things you need, like a loan for a car or a credit card. Working to improve your credit helps ensure you will qualify for loans when you need them.
- Your credit history is important because lenders, insurers, employers, and others may use it to assess how you manage financial responsibilities. Your credit history determines the terms of credit granted, such as the interest rate you will pay.
- Reminder: your credit history doesn't have to be your credit future.

# What is a credit score?



Your credit score is a 3 digit number that relates to how likely you are to repay your debt. Banks and lenders use it to decide whether they will approve you for a credit card or loan.



Lenders use credit scores to determine who qualifies for a loan, the interest rate, and your credit limits.



The 3 main credit bureaus include; Equifax, Experian, and TransUnion. They create your credit reports and can vary by a few points.



Once you start building credit, you should review your report for errors- if you find something, call and dispute.



One of the most well-known types is FICO- created by the Fair Isaac Corporation.

# Understanding Your Credit

- What are the factors that affect a credit score?
  - Payment history- 35%
  - Credit or debt utilization (amt owed vs. available credit)- 30%
  - Length of credit history- 15%
  - New credit- 10%
  - Types of Credit- 10%
- Scores range from 300-850.
- A good credit score is above 700.
- Most scores fall between 600 and 750.



# Things That Will Hurt Your Credit



Missing a card or loan payment



Bankruptcy/  
Foreclosure



Collections or  
charge-offs



Being a co-signer  
on a defaulted loan



Cancelling a  
credit card



Applying for too  
many credit  
lines in a certain  
timeframe



Errors on your  
credit report

# Next steps...

## How to pay for higher education?

Scholarships

Financial Aid

Student  
Loans

529 College  
Savings Plan

# Scholarships - Where to Begin...

Get a list of all available scholarships from your school Guidance Counselor.

Go through the ones that you are eligible to apply for.

Start thinking about your scholarship essay and what you will write.

If you receive a scholarship, send the issuer a thank you card!

The essay can be the hardest part, but it is also the most important part!

# Applying for Financial Aid

FAFSA- Free Application for Federal Student Aid [www.fafsa.ed.gov](http://www.fafsa.ed.gov)

Each parent and student should have a separate FSA ID.

Everyone attending or going to college should complete the FAFSA regardless of income level.

FAFSA is free, so the only real cost is the time it takes to complete. In fact, in families earning \$100,000 or more per year, 78% qualified for some form of financial aid.



**QUESTIONS?**