

BASIC BANKING SERVICES

ACTIVITY 4



Opening a Checking Account

RECOMMENDED TIME

Allow 50-60 minutes. Required time may vary depending on the audience.

OBJECTIVES

Participants will:

- Understand the application process for opening a checking account.
- Be aware of deposit options in making a deposit into a checking account.
- Understand the PATRIOT Act and ID to open accounts.

MATERIALS NEEDED

- Overhead projector and screen*
- Overhead transparencies or handouts for the activity
- Flipchart, blank transparencies, or white board
- Overhead marking pens

ADVANCE PREPARATION NOTES

Review the activity plan. Think about the audience, and decide whether to present the total activity or to use parts of this activity in combination with other activities.

This activity uses handouts. Have sufficient copies for all participants; a few extras provide good insurance.

For clarity, use print as opposed to script when writing on a flipchart, board, or transparency.

The suggested dialogue in the delivery notes does not always mirror the wording on a transparency. Try to vary the dialogue, rather than reading transparencies verbatim.

Consider providing copies of selected transparencies to participants for later reference.

* If an overhead projector isn't available, consider distributing photocopied handouts instead.

BASIC BANKING SERVICES

ACTIVITY 4 - DELIVERY NOTES



Opening a Checking Account

Presentation Opening

- Welcome the participants.
- Introduce yourself briefly.
- If this is the first meeting with the class or group, do a brief round of introductions by everyone.
- When introducing yourself, print your name where the participants can see and refer to it during the session. Some people may be a little nervous and may not remember your name. Just as you want to use their names, encourage them to call you by your name.

Activity Overview

Review the topics for discussion in this activity:

- Checking Account Application Process
- The Application
- Acceptable Forms of ID
- The Signature Authorization Card
- The PATRIOT Act
- Deposit Options

Use **“Handout 1: Opening a Checking Account** and **“Handout 2: Acceptable Forms of ID”** to review with the participants the type of application they will probably see when opening a checking account.

- Move through the application, describing the various areas on the form.
- In reviewing the application, stress the need for accuracy and clarity in all information.
- Emphasize that applicants must provide a physical address when their mailing address is a post office box or similar postal receipt area.
- A major topic to emphasize is proper identification. Although acceptable identification may vary among financial institutions, it always includes as least two types of current government-issued identification.
- Such regular identification might include a driver’s license, military ID, passport, green card, etc. In some states, a Mexican consulate card is an acceptable form of identification to open a bank account.
- Taxpayer Identification Numbers (TIN): Social Security Numbers can be used to open basic bank and credit accounts, while Individual Taxpayer Identification Numbers (ITIN) may be used to open non-credit accounts. Talk with your local bank or credit union about these requirements.
- Be prepared. Call ahead to find out exactly what you will need to open an account and what hours the bank is open.

Visual Aids

Handout 1

Opening a Checking Account

Handout 2

Acceptable Forms of ID

BASIC BANKING SERVICES

ACTIVITY 4 - DELIVERY NOTES



Display **“Overhead 1: The PATRIOT Act.”** Explain what the PATRIOT Act is and why it was created. Walk through the points on the Overhead, explaining what types of information financial institutions are now required to collect when a customer opens an account.

There are often misconceptions about the PATRIOT Act.

- Some believe that the PATRIOT Act prohibits banks from opening accounts for people without a Social Security number. Explain to participants that many institutions accept a range of documents as outlined in Handout 2; it may not be necessary to have a Social Security number to open an account.
- Another common myth is that undocumented immigrants can't obtain legitimate credit or build a credit history. This is untrue. A growing number of financial institutions accept alternatives to the Social Security number to issue credit cards or loans. Additionally, lenders may report the borrower's repayment information to the major credit reporting agencies using the Individual Taxpayer Identification Number (ITIN).

Use **“Handout 3: Signature Authorization Card”** to review and describe the areas on the card. Explain the purpose of the signature authorization card and how the bank uses it to help safeguard customers' money.

Ask those who have a checking account how they make their deposits. Responses may vary, but should include depositing the funds at the bank, through the mail, at an ATM, and direct deposit.

Encourage participants to consider the option of direct deposit.

- Ask if anyone uses the option. If so, have them explain.
- Suggest that they contact their local banker to learn more about setting up direct deposits.

Ask what might be the advantages of using direct deposit. Responses may vary but should include safety and convenience.

Closing

Encourage all participants to consider opening a checking account if they do not have one.

- Encourage them to go to their local bank, talk with a customer service representative, and get more information about checking accounts.
- Remind them that the bank staff is always willing to answer questions from local residents and potential customers.

Thank everyone for their participation and encourage them to return for additional sessions. If such sessions are planned, you might provide a “sneak preview” of any activity to come.

Visual Aids

Overhead 1

The PATRIOT Act

Handout 3

Signature Authorization Card

BASIC BANKING SERVICES ACTIVITY 4 - HANDOUT 1



OPENING A CHECKING ACCOUNT



YOUR BANK
123 MAIN STREET
ANYTOWN, USA

ACCOUNT TYPE

- INDIVIDUAL
- JOINT
- BUSINESS
- PARTNERSHIP

CHECKING ACCOUNT APPLICATION

■ PRIMARY OWNER

NAME _____

ADDRESS _____

TELEPHONE HOME _____ WORK _____ EXT. _____

DATE OF BIRTH ____ / ____ / ____ SOCIAL SECURITY NO. ____ - ____ - ____

LENGTH OF TIME AT CURRENT ADDRESS _____

CURRENT EMPLOYER _____

EMPLOYER ADDRESS _____

LENGTH OF TIME WITH THIS EMPLOYER _____

DRIVER'S LICENSE OR PHOTO ID NUMBER _____

LAST ADDRESS PRIOR TO CURRENT ADDRESS _____

PLEASE COMPLETE THE FOLLOWING ONLY IF APPLYING FOR A CHECK CARD OR OVERDRAFT PROTECTION.

GROSS ANNUAL INCOME _____

MONTHLY MORTGAGE OR RENT PAYMENT _____

■ JOINT OWNER (IF APPLICABLE)

NAME _____

ADDRESS _____

TELEPHONE HOME _____ WORK _____ EXT. _____

DATE OF BIRTH ____ / ____ / ____ SOCIAL SECURITY NO. ____ - ____ - ____

LENGTH OF TIME AT CURRENT ADDRESS _____

CURRENT EMPLOYER _____

EMPLOYER ADDRESS _____

LENGTH OF TIME WITH THIS EMPLOYER _____

DRIVER'S LICENSE OR PHOTO ID NUMBER _____

LAST ADDRESS PRIOR TO CURRENT ADDRESS _____

PLEASE COMPLETE THE FOLLOWING ONLY IF APPLYING FOR A CHECK CARD OR OVERDRAFT PROTECTION.

GROSS ANNUAL INCOME _____

MONTHLY MORTGAGE OR RENT PAYMENT _____

I VERIFY THAT THE ABOVE INFORMATION IS TRUE UNDER PENALTY OF PERJURY.

SIGNATURE (PRIMARY) DATE

SIGNATURE (JOINT OWNER) DATE

BASIC BANKING SERVICES

ACTIVITY 4 - HANDOUT 2



COMMONLY ACCEPTED FORMS OF ID

Primary ID*

- Photo Driver's License issued within the U.S. or Canada
- State Non-Driver's Photo ID
- Photo Learner's Permit
- Government Photo ID
- U.S. Passport
- Non-U.S. Passport
- Resident Registration Card
- Mexican Consular ID (Matricula Consular)
- Naturalization Certificate
- Employee Photo ID (from a recognizable employer)
- Photo Trade License (barber, plumber, electrician, etc.)
- Student Photo ID (college/trade school)
- Medicare Card (must be 65 or older)

Secondary ID*

- Foreign Driver's License
- State/Local Gun Permit
- Utility Bill (Name and address of individual account should be listed)
- Current Bank Statement
- National Credit Card
- Bank-issued Debit or Check Card
- Pay Stub
- Car Registration
- Mortgage Statement
- Letter of Introduction from Bank, Embassy or Well-known Employer
- Welfare Card
- Supplemental Health Insurance Card

* *Financial institutions' ID requirements may differ; check with the institution first before applying for an account.*

BASIC BANKING SERVICES

ACTIVITY 4 - OVERHEAD 1



THE PATRIOT ACT

What is the PATRIOT Act?

Congress passed the PATRIOT Act in response to the terrorist attacks of September 11, 2001. The Act gives federal officials greater authority to track communications, including bank and credit card records, for purposes related to law enforcement and intelligence gathering.

How does the PATRIOT Act impact financial institutions?

Financial institutions are now required to collect certain information when a new account is opened.

1. The institution must verify the identity of any person seeking to open an account by obtaining customer identification that includes:
 - Name
 - Date of birth
 - Address
 - Identification number – a taxpayer identification number (ITIN) for American citizens or a government-issued document for noncitizens
2. The institution must maintain a copy of the information used to verify the person's identity.
3. The institution must determine whether the account applicant appears on the lists of known or suspected terrorists or terrorist organizations provided to the financial institution by government agencies.


This law was enacted to fight terrorism; it will not impact the safety of your money. Be assured that the money you deposit in a bank is safe; it is insured up to \$100,000 per depositor by the Federal Deposit Insurance Corporation.

BASIC BANKING SERVICES

ACTIVITY 4 - HANDOUT 3



SIGNATURE AUTHORIZATION CARD

| | |
|--|--------------------------------------|
|  YOUR BANK 123 MAIN STREET ANYTOWN, USA | ACCOUNT TYPE |
| SIGNATURE AUTHORIZATION CARD | |
| ACCOUNT # _____ | <input type="checkbox"/> INDIVIDUAL |
| DATE _____ | <input type="checkbox"/> JOINT |
| NAME _____ | <input type="checkbox"/> BUSINESS |
| ADDRESS _____ | <input type="checkbox"/> PARTNERSHIP |
| _____ | |
| PHONE _____ | |
| SOCIAL SECURITY NO. _ _ _ - _ _ - _ _ _ | |
| <p>YOU ARE HEREBY AUTHORIZED TO RECOGNIZE ANY OF THE SIGNATURES SUBSCRIBED ON THIS CARD FOR THE PAYMENT OF FUNDS OR TRANSACTION OF BUSINESS FOR THIS ACCOUNT. ALL TRANSACTIONS BETWEEN THE BANK AND THE DEPOSITOR SHALL BE GOVERNED BY THE CONTRACT PRINTED ON THE REVERSE OF THIS CARD.</p> | |
| _____ AUTHORIZED SIGNATURE | _____ AUTHORIZED SIGNATURE |