

## Josie's Depository Institution Comparison Chart

	Total Points Earned
10 points for completion	Total Points Possible
	Percentage

Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_

**Directions:** Josie has determined that she will use one of two depository institutions and has summarized the information regarding each depository institution below. Use the information provided by your instructor to determine which depository institution is the best choice for Josie.

Features	<i>Depository Institution Option 1</i>	<i>Depository Institution Option 2</i>
<b>Minimum account balance</b>	\$0	\$100; a \$10 fee is charged if the balance is below \$100
<b>Monthly Service Fee</b>	None	None
<b>Debit Card</b>	Yes; free and unlimited usage	Yes; free and unlimited usage
<b>ATM Fee</b>	Yes; \$2 if another institution's ATM is used	No
<b>ATM locations</b>	five within the college campus; three within the hometown area	two within the college campus area; two within the hometown area
<b>Online banking</b>	Yes	Yes
<b>Mobile banking/Smartphone application</b>	Yes	No
<b>Unlimited check writing</b>	Yes	No; up to ten checks may be written each month
<b>Free checks</b>	Yes	Yes
<b>Insufficient fund fees</b>	\$24 per transaction	\$22 per transaction
<b>Account overdraft protection</b>	Yes	Yes
<b>Linked Savings Account Option</b>	Yes; ability to transfer unlimited funds to a savings account	Yes; ability to transfer unlimited funds to a savings account
<b>Interest earned on balance</b>	No	.02%
<b>Branch locations within 5 miles of college</b>	Yes; three of them	Yes; one of them
<b>Branch locations within 5 miles of hometown</b>	Yes; two of them	Yes; two of them
<b>Branches in neighboring states</b>	Yes	No
<b>Insurance provided on deposits</b>	\$250,000 per depositor, per account; covered by FDIC	\$250,000 per depositor, per account; covered by NCUA
<b>Accountholder requirements</b>	None	Must be an employee (or related to an employee) of the railroad system Josie's father is employed by

## Help Josie Choose a Depository Institution

	Total Points Earned
24	Total Points Possible
	Percentage

Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_

Josie is a senior in high school who will be graduating in a few months. She has already been accepted to a university that is a three hour drive from her home. While she is excited about moving on to the next phase of her life, she's a little nervous about some of the important decisions she will be making---moving out of her parents' home and into the dorms at a college, choosing classes for her schedule, and finding a part-time job.

Josie is also going to need to make some decisions about her money. She knows it's not safe to carry all of her cash in her pocket, and while she won't have a lot of bills to pay, she needs to be able to write a few checks each month and utilize a debit card to have access to her funds. Josie has done a little research on depository institutions in her area that also have branches nearby the college she will be attending, and has narrowed her choices to the two options described in the *Josie's Depository Institutions Comparison Chart 1.7.3.A3*. Follow the steps below to learn more about depository institutions in order to help Josie choose the depository institution that is best for her.

### Step One:

1. Read page one of the *Introduction to Depository Institutions Information Sheet 1.7.3.F1* to learn more about depository institutions.
2. Examine *Josie's Depository Institutions Comparison Chart 1.7.3.A3* and determine if Depository Institution Option 1 and Option 2 are a bank or a credit union. (4 points)

	Depository Institution Option 1	Depository Institution Option 2
Is this depository institution a bank or a credit union?		
Give one reason to support your answer.		

3. How did location influence Josie's selection of her top two depository institutions? (1 point)



**Step Two:**

4. Read the "Depository Institution Insurance" section on page two of the *Introduction to Depository Institutions Information Sheet 1.7.3.F1*.
5. While watching the news today, Josie saw that a local depository institution is closing. Now that she understands the importance of depository institution insurance, she wants to ensure her choices are insured. (4 points)

Is Depository Institution Option 1 insured? Explain how you determined the answer.	Is Depository Institution Option 2 insured? Explain how you determined the answer.
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**Step Three:**

6. Read the "Services Offered by Depository Institutions" section on pages two and three of the *Introduction to Depository Institutions Information Sheet 1.7.3.F1*.
7. Josie is looking for a checking account that is linked to a savings account. This will allow her to transfer money from her checking account to her savings account when needed. (2 points)

Does Depository Institution Option 1 have a savings account linked to the checking account?	Does Depository Institution Option 2 have a savings account linked to the checking account?
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**Step Four:**

8. Read the remainder of the *Introduction to Depository Institutions Information Sheet 1.7.3.F1* (pages four and five).
9. Your instructor will provide you with more information about Josie to help make a decision regarding which depository institution is best for her. Record what you learned about Josie below: (8 points)

1.	2.
3.	4.
5.	6.
7.	8.

10. Using the information you know about Josie, which checking account would you recommend she choose – option 1 or option 2? Explain your choice. (5 points)

# Introduction to Depository Institutions

## Note Taking Guide



	Total Points Earned
	Total Points Possible
	Percentage

Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_

**Directions:** Use the prompts provided to help you take notes during the lesson.

What is a depository institution?		
Types of depository institutions	What are two characteristics of a <u>commercial bank</u> ? 1. 2.	What are two characteristics of a <u>credit union</u> ? 1. 2.
Location	How does location play a factor in choosing a depository institution?	
Insurance	What does depository institution insurance cover?	
Services	<i>A person may earn or be charged interest from depository institution services.</i> <ul style="list-style-type: none"> <li>▪ What is <u>interest</u>?</li> <li>▪ What is an <u>interest rate</u>?</li> </ul>	
	<i>Savings tools are accounts that help you manage your money.</i> <i>The two most common accounts are checking accounts and savings accounts:</i> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">             What is a checking account?         </div> <div style="text-align: center;">             What is a savings account?         </div> </div>	

	What is credit?
	<p>What other services do depository institutions offer?</p> <ul style="list-style-type: none"> <li>▪</li> <li>▪</li> <li>▪</li> </ul>
Features	<p><i>Online banking allows customers to complete certain transactions with their depository institution from a secured Internet site by using a username and password.</i></p> <p>What are two activities that may be completed with online banking?</p> <ol style="list-style-type: none"> <li>1.</li> <li>2.</li> </ol>
	How is mobile banking different from online banking?
	What is a debit card?
	<p><i>An ATM is a machine that allows depository institution customers to complete certain transactions from the machine without the need for human assistance.</i></p> <p>What are two activities that may be completed with ATMs?</p> <ol style="list-style-type: none"> <li>1.</li> <li>2.</li> </ol>
	What is contactless payment?
Fees	<p><i>Fees will vary between institutions and within different services at the same institution.</i></p> <p>Explain one type of fee that a depository institution may charge:</p>
Choosing a depository institution	Circle factors throughout the note taking guide that you should consider when choosing a depository institution.