



General Banking Information

International Student Services – Texas A&M University

Accounts

There are different kinds of bank accounts. Three of the most common are:

1. **Savings Account:**

- Your money earns interest, but there may be a fee for frequent withdrawals. Some banks charge a monthly fee if the balance in the account is below a specified amount.
- It is used to deposit money for safekeeping over a long period of time.

2. **Checking Account:**

- Designed to hold your money safely in a bank, but allow you to spend it as you wish.
- Some earn interest and have restrictions on the number of checks you can write.
- Most have minimum balances required and penalties for going below that amount.
- After opening a checking account, you will receive an account number and personalized checks which will be charged to your account.
- Checks may be written for cash or directly to a business to pay bills or services. You will need identification such as a driver's license or Texas ID card to cash checks.
- Sometimes, it is difficult to cash checks from a Bryan/College Station bank if you are outside the area, especially outside of Texas.

3. **Certificates of Deposit (CDs):**

- Savings certificates earn higher interest rates than regular savings accounts, but must remain on deposit for a specific period of time.
- There is a penalty for early withdrawal.

Checkbook

This contains three parts:

1. Checks
2. Deposit Tickets (located behind the checks)
3. Record of Account Balance (Check Register or Ledger)

Bank Services

Most banks will provide the following basic services as well as several other special services. Before opening an account, ask the bank about the services it provides:

- **Bank Statements**- Printed record of your account activity sent monthly from the bank.
- **Automated Teller Machine Cards (ATM Cards)** - A plastic card issued by the bank; when used with a P.I.N. (a personal identification number), it allows immediate cash withdrawals from either checking or savings accounts 24 hours a day at special banking machines called automated tellers (ATMs).
- **Canceled Checks** - Checks that have been processed by the bank and whose amounts have been deducted from your account.
- **Wiring Service for Money** - Enables long-distance electronic transfer of funds.
- **Traveler's Checks** - Special checks purchased at the bank, used in place of cash or personal checks when traveling. Many types are accepted worldwide in shops, restaurants, hotels, etc.
- **Loans** - Borrowing money from the bank, to be repaid within a specified amount of time with interest added.
- **Checking Reserve** - A specialized bank service that ensures there will be funds in your account at all times. This helps avoid bouncing checks.
- **Credit References** - A statement provided by the bank to give someone information about your credit history.
- **Safety Deposit Boxes** - Secured boxes located in banks which are used to store valuables (documents, jewelry, etc.). There is a fee for this service.
- **Foreign Currency Exchange** - Amount of foreign currency that may be traded for US currency.
- **Money Orders** - Form of check purchased with cash, often used when sending money by mail (available at banks or post offices).
- **Draft** - Similar to money order; however, the money is deducted from your account instead of being paid in cash.
- **Cashier's Check** - A special check issued directly by the bank cashier from your account. It is used when your personal checks are not accepted (ex. buying a car, buying a house, etc.).
- **Notary Public** - Person who verifies the validity of legal documents. There is a fee for this service.
- **Check Cashing** - Withdrawal of funds from your account by writing a check in exchange for cash.

- **Night Deposit** - Located outside of banks, this allows for depositing money or checks after the bank has closed.

Banking Terms Defined

- **Balance** - The current amount of money you have in your bank account. This term is also used to refer to the process of reconciling the checks you have written to the bank statement.
- **Stop Payment (“put a hold on a check”)** - Asking the bank to keep a check from being deducted from your account.
- **Insufficient Funds/Overdraft (“bounced” or “hot check”)** - Occurs when a check has been written, but you do not have enough money in your account to cover it. There are charges of \$20-25 per check for this. Also, it becomes part of your legal record.
- **Direct Deposit** - Funds are deposited electronically into your account by another institution (ex: your employer).
- **Auto Debit** - Funds are withdrawn automatically from your account by another institution (ex: a credit union to whom you owe a monthly amount for a car loan).
- **Credit Union** - An institution providing services similar to a bank for its members. There is a fee to become a member.
- **Bank Teller** - Employee of a bank that handles the exchange of money.
- **FDIC Insured** - Protection on your accounts offered by US government for up to \$100,000. Banks are not always stable, be sure yours is insured.
- **Service Charge** - These are monthly fees the bank withdraws from your account for maintaining it.
- **Interest Earned** - The bank pays you a percentage of your account for keeping your money in the institution.
- **Interest Paid** - The amount the bank charges you for borrowing money from them (see “loan”).
- **Credit** - A deposit of funds to a bank.
- **Debit** - A withdrawal of funds from a bank.
- **Personal Identification Number (P.I.N.)** - A security code entered when using an ATM.
- **Charge Back Fee** - A processing fee the bank charges a customer for depositing a check with insufficient funds in the account (a hot check).
- **Truncated Checks** - Processed checks that are not returned to the customer with the bank statement. Instead they are kept on file at the bank.