

CHECKING & SAVINGS ACCOUNTS

Opening an Account

Opening a checking and savings account is an important step to managing your money. These are important tools for budgeting, keeping your money safe, and developing a nest egg for times of emergencies and/or making big future purchases.

HOW TO GET STARTED:

- 1. Choose the right institution for you** - visit the website of the banks/credit unions you are interest in and review their requirements. Consider fees, minimum balances, rates for savings, accessibility of branch locations, online banking, overdraft fees, etc.
- 2. Gather required documents** - Typically you will need ID/Drivers License, proof of address, social security number. You will also need an initial deposit to open your account, ranging from \$25-\$100. Visit the banks website or call their office to get a full list of documents.
- 3. Submit your application** - Go to the bank or use the bank's website to apply for a new account and fill out the required forms. Be cautious of overdraft protection options as the fees can be very high.
- 4. Finalize** - Read the terms and conditions and sign the paperwork.
- 5. Set up online and mobile banking** - These are great tools to stay up to date with your money, budget, and have more control of your accounts.
- 6. Receive account documents** - Including account number, debit card, checks, direct deposit information, and other relevant information.

CREDIT UNIONS

Benefits & Locations

While banks are privately owned and for profit, credit unions are member-owned. That means all members of that credit union share in the profits, which are returned to members in the form of lower fees, better rates, and more personalized services.

Credit Unions are great for those who are new to banking, those who need a reset, and/or those who would like to learn more about financial resources and stability.

Credit Unions can be difficult to join because they have specific eligibility criteria. However, see below for local credit unions with more general requirements.

FOOTHILL CREDIT UNION

Open to students
Locations in Arcadia, Covina,
Glendora, and Upland
<https://www.foothillcu.org/>

FIRST CITY CREDIT UNION

Live, work, worship, or go to
school in one of our LA County
cities.
Locations in West Covina,
Pasadena, Los Angeles
<https://www.firstcitycu.org/>

CREDIT UNION OF SOUTHERN CALIFORNIA

Open to anyone who lives, works,
or goes to school in LA, OC,
Riverside or San Bernardino County
Locations in Industry, Covina, El
Monte, Pomona, Whittier, Ontario
<https://www.cusocal.org/>

RIZE CREDIT UNION

Live in a community within their
servicing area
Locations in Ontario, Lynwood,
Irwindale, Boyle Heights
<https://rizecu.com/>

SCHOOLS FIRST CREDIT UNION

School employees or students
enrolled in educational programs.
Locations in Walnut, Pomona,
West Covina, Chino, Fullerton,
Whittier, and more.
<https://www.schoolsfirstfcu.org/>

For assistance or questions, contact Kriystal Bilderbach, Life Skills Specialist
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THINGS TO CONSIDER

When Choosing a Bank

1. There are different types of institutions. Traditional banks, high yield savings accounts, and credit unions are the most common. Research what is the best fit for what you are looking for.
2. Look for banks that have low fees. Watch out for banks that charge monthly maintenance fees or ATM fees because you can get these things for free at most banks. Also watch out for overdraft protection as this can be very expensive.
3. Good money management is important. The average overdraft fee is \$29.80. Make sure you are only spending what you have. Instead, sign up for low balance alerts to warn you when you are at risk of overdrawing.
4. Consider if there is a branch and/or ATM close to you. Easy access to your account and your money can be important.
5. Consider services such as high-yield savings accounts, CD's, the ability to open and name sperate and multiple accounts, and budgeting tools.
6. Make sure you have access to online and mobile banking.
7. Understand the terms and conditions. Don't just sign but make sure you know what you are agreeing to, ask for any promotional deals, and **make sure your bank is FDIC Insured.**

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PAYDAY LOANS

WHY YOU SHOULD STAY AWAY



Payday loans are one of the easiest loans to obtain and can seem like a good solution when you need some extra money. However, they are deceptive and predatory in nature, and often take advantage of those who are experiencing hard times. Read below for some of the dangers and reach out to discuss other, more effective ways to tackle financial struggles.

1



Ease of Access Covers up the Danger

Though they are easy to obtain, they often target vulnerable people and hide high fees and interest rates. Renewing these loans are also very easy, because the lender knows you will likely not be able to pay it. Think about this: will you be ok if your next paycheck is short \$300? Or will you need to borrow again to make ends meet? This is how you get stuck in the cycle.

2



Fees

Payday loans have the highest fees of all loans and credit. On average, there is a \$15-\$30 fee due every 2 weeks for each \$100 you borrow. Though it seems small, those fees add up quickly when you borrow \$300+ or when you have to renew your loan.

3



Interest

Interest rates are around 300% - 400% for payday loans. Compare that to the average of 15%-30% for credit cards and other loans. If you renew for one year, you can pay around \$1,200 in interest alone for borrowing just \$250.

4



Buiding Bad Habits, Delaying Good Ones

The money you keep paying to keep the original borrowed amount is money you could be putting into savings or paying a bill. Create and stick to a budget, and if you have a higher need, meet with our Life Skills Specialist to discuss better options.

5



Be Aware of Other Deceptive Loans

Payday loans, car title loans, and check-cashing locations often have deceptive fees and charge you much more in the long term than other institutions like banks and credit unions. Protect your money and look into credit unions or banks.

Goodfinancialsense.com

Experian.com

Credit.org



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