



Personal Finance Virtual Learning

Read the Fine Print pt 2

April 30, 2020



Lesson: April 30, 2020

Objective/Learning Target:

- Learn tips for using their checking account effectively, including the use of mobile alerts
- Read a checking account agreement and identify the fees associated with a checking account
- Understand how overdraft protection works and how to avoid high fees attached to the service
- Read a bank statement to verify its accuracy and interpret how their money is being used

Warm up (think out loud, or write your answer down)

The term overdraft protection, why might this be misleading to customers?

Lesson

Though the practice used to be even more prevalent, 40% of banks still practice “resequencing,” which can lead to even higher overdraft fees. Watch this video and then use the interactive to better understand resequencing. Then, answer the questions.

<https://tribeyeo.wordpress.com/2017/03/03/banks-rearrange-transactions-in-order-to-charge-more-overdraft-fees/>

<http://www.pewtrusts.org/en/multimedia/data-visualizations/2011/transaction-infraction>

1. In your own words, explain how debit resequencing works.
2. How does the speaker in the video suggest technology can help prevent overdraft fees hitting your account?
3. In the simulation, explain how the original order results in one \$22 fee, while the Wells Fargo reordering results in four \$22 fees.

Lesson

In a previous video, you saw Sharon recommend setting alerts to help prevent overdraft fees. Skim this article for recommendations on three alerts you, too, should set. Then, answer the questions.

<http://www.bankrate.com/banking/checking/3-mobile-banking-alerts-everyone-should-activate/>

1. In your own words, briefly describe the benefit of each type of alert below:
 - a. Low Balance
 - b. Mobile Deposit
 - c. Unusual Activity
2. While all three of the alerts are highly recommended, which one do you think is most important? Why?

Lesson

Each month your bank will provide a hard copy or electronic version of your bank statement, which should list all of the transactions you've had since the last statement date. Watch this video for tips on how to read the statement. Then, answer the questions.

<https://youtu.be/JiZTrxRkvdY>

1. Complete the following sentence with either "debit" or "credit": When money is put into your account, it is listed on your statement as a _____. When money is taken out of your account, it is listed as _____.
2. Why should you look closely at all debits and credits?
3. What does the video recommend if you notice a lot of fees appearing on your statement?

Lesson

With your checking account, you'll receive a bank statement that you will want to review on a regular basis. Watch the video to familiarize yourself with what is included on a bank statement. Then, answer the questions.

<https://www.youtube.com/watch?v=JiZTrxRkvdY>

1. What is the purpose of a bank statement?
2. What are some examples of fees that can be seen on a bank statement?
3. How often do you think you would want to check your bank statement?

Exit Ticket

1. Give two examples of useful alerts you could set on your checking account to help you avoid fees.
2. Explain the difference between a checking agreement and a checking account statement.