

# Tips for New Choice Bankers!

## What is the difference between DEBIT and CREDIT cards?

### Choice Bank Debit Card

A debit card holds money that is in your checking account. You can withdraw money using your debit card at an ATM (automatic teller machine) location. Choice Bank recommends you use one of the ATMs in the community bank network (insert website for list), so you will not be charged a fee for withdrawing your money. Request a receipt each time you use your debit card at an ATM and be sure to track the money withdrawn using your debit card. If you withdrawal more money than you have in your checking account, you will be charged a XX fee for using money that is not yours.

### Credit Card

*Information provided by Newspapers in Education (NIE)*

- When you use a credit card, you are using money that you have borrowed from the credit card company. This money is not your money.
- You must pay back the money you borrowed by the agreed upon time in your credit card agreement you signed. If you don't, you are charged an interest fee on the money you borrowed.
- The amount of interest you pay for borrowing money with a credit card depends on what your interest rate is and how fast you pay back the money you have borrowed. The example below highlights how costly interest (which averages 17-20 percent for most credit cards) can be.

### Credit card interest example:

John has \$2,000 debt on his credit card, which requires a minimum payment of 3%, or \$60. John pays only the minimum.

Each month John is charged a 20% annual interest on his outstanding balance.

Here is the breakdown of the numbers for the first month of John's credit card debt:

- Principal: \$2,000
- Interest: \$33.33 ( $\$2,000 \times (1+20\%/12)$ )
- Payment: \$60 (3% of remaining balance)
- Principal Repayment: \$26.67
- Remaining Balance: \$1,973.33 ( $\$2,000 - \$26.67$ )

These calculations are done every month until John pays off his credit card debt.

In the end, John pays **\$4,240** in total over 15 years to absolve the \$2,000 in credit card debt. The interest that John pays over the 15 years totals \$2,240, higher than the original credit card debt.

## **Just made a deposit?**

### **Here are tips to help you understand when your money is available.**

1. Electronic fund transfer deposits (EFT), deposits taken by a Choice Bank teller or an ATM deposit before 2:00 p.m. will be acknowledged as received on the same business day. Every day is a business day except Saturdays, Sundays, and Federal Holidays. If you make a deposit after 2:00 p.m. or on a day we are not open, we will consider that the deposit was made on the **next** business day we are open.

2. There are situations where a longer delay may occur.

- If we believe a check you deposit will not be paid
- If you deposit checks totaling more than \$5,000 on any one day;
- If you redeposit a check that has been returned unpaid
- If you have overdrawn your account repeatedly in the past six months
- If there has been an emergency such as failure of communications or computer equipment.

We will notify you at the time of deposit or by mailed notice if your funds are to be delayed for any of these reasons, and will tell you when the funds will be available. We will make the funds available in accordance with federal regulations.

3. If you are a new Choice Bank customer, special rules will apply during the first 30 days your account is open. Funds from electronic fund transfer (EFT) to your account will be available on the day we receive the deposit. Funds from deposits of cash or wire transfers, and the first \$5,000 of a day's total deposit of U.S. Treasury checks, cashier's, certified, money orders, traveler's, and state and local government checks will be available on the first business day following your deposit.