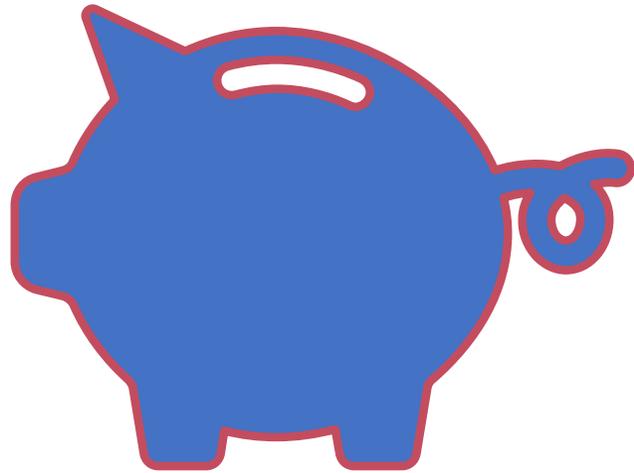




BANKING SERVICES

Knowing your options and how to use the services provided



CHOOSING AN INSTITUTION TO HOLD YOUR MONEY

Allowing a financial institution to hold your money allows your money to grow faster due to the interest you will likely earn.

But first you must choose an institution – how do you choose when there are so many options?

BANK VS. CREDIT UNION

- Banks and credit unions serve similar roles in our financial system. Both hold our deposits and make investments to raise money to lend to businesses and individuals.
- Banks tend to be larger, often nationwide, institutions. While credit unions are smaller and locally focused.
- Banks are FOR-PROFIT vs. Credit Unions are NOT-FOR-PROFIT organizations.
- Banks are open to the public vs. credit unions limit their customer base to a group of people who share a common bond. This often is a geographical area based on work, home or worship so it's likely you would be able to find one in your area you would qualify for.

POSITIVES ABOUT USING A CREDIT UNION?

- **Possibility of Higher Interest Rates** - Credit Unions typically pay higher interest rates on all deposit accounts - but not always, so do your research!
- **Lower Loan and Credit Card Rates** - People often go to their local credit union for large purchases, such as a car, because the rate is often lower than dealer financing and because commercial banks are normally a percentage point or two higher than credit unions.
- **Lower Fees** - Credit Unions tend to have significantly fewer fees than commercial banks and the fees they do have tend to be lower because...
- **Customer (Member) Focused Banking is a Priority** - With traditional banks, management and a board of directors want to make as large a profit as possible. This may contradict the goals of the customers because it may mean less competitive rates and higher fees. In contrast, since credit unions are member-owned, any profits generated by a credit union are reinvested into the credit union or returned to the members in the form of lower fees and better rates.

POSITIVES ABOUT USING A CREDIT UNION (CONTINUED...)

- **More Personalized Service** - As member-owned organizations, they prioritize their members' needs and often provide more personalized service.
- **More Flexibility** - If you have a less-than-perfect credit history or issues with your current employment, many banks will deny you a loan or credit card. Banks deal in such large numbers that the process must stay more streamlined and has less flexibility. Credit unions, being smaller and with a member-based philosophy, can look at each individual case and the applicant's personal history with the credit union.

POSITIVES ABOUT USING A TRADITIONAL BANK?

- Extensive physical branches and ATM networks: Banks tend to have more branches and ATMs nationwide, which can make it easier to bank in-person or access in-network ATMs on the go.
 - Many credit unions belong to a world-wide network of free ATMs so this is true of many credit unions as well. A little research can tell you the extent of convenience associated with each financial institution.
- No membership requirements: Credit unions require you to become a member to open an account, and the eligibility often doesn't apply to everyone. To open an account at a bank you don't need to meet any membership requirements.

BASIC SERVICES OFFERED AT MOST FINANCIAL INSTITUTIONS

- Savings Account
- Checking/Debit Account
- Loans
- Online Banking Tools
- Money Transfer Apps (such as Zelle)
- Financial Services and Advice
- Online Money Management Tools

ONLINE BANKING SERVICES

- Check your balance and authorized payments
- Zelle - Many credit unions and banks now have a built-in money sharing feature associated with your account. Paying or requesting money from a business, friend or relative has never been so easy!
- Alerts - Did you make a purchase in Italy? Yes? great! No? We got you covered!
- Transfer Funds Easily
- Apply for Loans
- Deposit Checks

CREDIT CARDS AND DEBIT CARDS

A **Credit Card** is a line of credit a financial institution approves for you. For example, you might open a credit card with a \$500 limit. If you immediately spend \$500 you've reached your spending limit. You will then pay back the amount you spent plus interest. When you use a credit card you will sign for most purchases. One bonus to a credit card - If you are responsible with it, you will be able to build positive credit.

A **Debit Card** is like writing a check. You only get to spend the money you already have in your account. So, there's nothing to pay back. You are essentially writing an electronic check. When using a debit card, you will often need to enter a PIN for your purchase.

Most financial institutions offer both options for their customers or members.

WHAT IT COMES DOWN TO?

When choosing a financial institution to open a credit card, hold your money, or provide any other service, it's important to know what your options are to figure out how to make your money work for you.



PACIFIC NW
FEDERAL CREDIT UNION