



## HIGH SCHOOL | UNIT 2

## Opening New Accounts

## Title

# What to Expect When Opening a Checking Account

## LEARNING OBJECTIVES

Students will:

- **explain** the requirements for opening a checking account.
- **develop** a guide to help people know what to expect when opening an account with a financial institution.

## Overview

*What information and documents will you need to open a new account?* Students learn requirements for opening a new checking account and what questions they should expect to answer. In small groups, students create then trade customer profiles in order to complete a sample checking account application. Students then work together to create guides that can prepare people to know what to expect when opening a new account.

## Financial Literacy Theme

Using Financial Services

## 21st Century Skills

Collaboration, Communication, Creativity

## Key Terms

Financial institution, banks, credit unions, checking accounts, deposit, balance, overdraft protection, debit card, Patriot Act, Bank Secrecy Act, interest

## Pathway to Financial Success

In Schools

## Connect

**How does this connect to the student?**

Being able to apply for and open an account with a financial institution is part of “Adulting 101.” Students should know what to expect and be ready when they go to open their own account for the first time. Practicing and considering what advice people should have before doing so can help.

**How does this connect to careers?**

**Financial Institution Marketing Director:** Most banks and credit unions offer checking accounts to people. How does a bank encourage people to deposit money in theirs? Marketing is used to encourage people to open accounts and/or choose specific ones. A marketing director would work with graphic designers, people in charge of the website and social media account and more.

**How does this connect to technology?**

What drives people to switch financial institutions? One reason is fees, but the other is technology. Customers—especially younger ones—want a great online and/or mobile experience.

## Prepare

**Background:** Opening an account at a *financial institution* requires people to provide information and proof of identification. Most *banks* and *credit unions* will allow young people to open savings accounts at an early age and checking accounts once they turn 13. Prior to the age of 18, young people will need an adult to open the account with them. Federal law requires banks and credit unions to confirm the identities of individuals opening accounts. Laws such as the *Patriot Act* and *Bank Secrecy Act* include these requirements to help prevent terrorism and money laundering.

People who open accounts should also understand the terms and conditions of the account. When applying for a checking account, this also involves understanding what the minimum *deposit* and *balance* requirements are along with any fees that may be associated with the account. Some checking accounts—usually those with higher balance requirements—will pay *interest* to the account holder.

## Materials

- **Describe Your Customer Student Handout**—one copy per student
- **Anytime Account Application Student Handout**—one copy per student
- **Storyboard It**—one copy per student (OPTIONAL)
- **Internet access** (OPTIONAL)

## Engage

- Explain to students that you are going to read a series of three statements. Two are true and one is not.
- Read the following statements.
  - Statement 1: You must be eighteen years of age to open a checking account on your own.
  - Statement 2: Only U.S. Citizens can open checking accounts at a national bank.

## Pathway to Financial Success

In Schools

- Statement 3: Banks are required to see proof of identification when opening accounts for people.
- Ask students which statements they believed were true and which was not. Debrief using the answers and notes below:
  - Statement 1: True. Until you reach the age of 18, you are not allowed to enter into a legal contract. Therefore, people under the age of 18 need an adult in order to open an account.
  - Statement 2: False. People without citizenship can open accounts. Instead of providing a social security Number, non-citizens would use an ITIN, or Individual Taxpayer Identification Number.
  - Statement 3: True. Laws such as Patriot Act and the Bank Secrecy Act require banks and other financial institutions to see and review identification when opening accounts. Doing so helps to limit money laundering and the funding of terrorism.
- Share with students that opening an account at a financial institution requires more than just an application and some money. While it is not a complex process, knowing what you are expected to have with you and an idea of what information you will be asked to provide can help people be prepared.

## Teach

- Inform students that they will be working in small groups to create a profile of an individual who wishes to open a new checking account.
- Divide students into small groups and distribute a copy of the **Describe Your Customer Student Handout** to each student.
- Allow time for students to answer the questions and describe their customers.
- Direct students to swap profiles with another group.
- Let students know that they will now be completing an application for a new checking account on behalf of the customer whose profile they just received.
- Distribute a copy of **Anytime Account Application Student Handout** to each student and allow time for students to complete the information. Acknowledge that it is likely that they will not find all of the information they need on the profile. Direct students to take notes on the handout and/or highlight any information they do not have or would need to obtain.
- Lead a brief discussion on whether or not students felt prepared to complete the application based on the information they had available. If not, what other information did they wish they had?
- Inform students that they will be working in their small groups to create a guide for people who wish to open their own checking account. The guide can take one of the following forms: document, infographic, presentation, or short animated video. Let students know what you will expect in their final submission. For example, students could submit a complete **Storyboard It Student Handout** with a description of each scene rather than an actual animated video.
- Share with students that their final product should inform people of the following:
  - What personal information they will be expected to provide when applying for an account
  - What aspects of the account they should consider in advance
  - What documents they will need to bring with them (namely those which prove their identity)
- If desired, students can explore the websites of various financial institutions and/or financial advice sites for inspiration.
- Conclude the activity by inviting each group to present their guide.

## Pathway to Financial Success

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### Extend

- **Research:** Challenge students to locate applications for accounts from a variety of local and/or online financial institutions. Direct them to compare and contrast the real applications with the sample provided in the activity.
- **Technology:** Invite students to conduct an online search for tools they can use to compare financial institutions and their checking accounts, such as online tools that compare interest rates, fees, etc. Ask students how these tools can be used to help people make informed decisions.
- **Family:** Provide a copy of the [How Our Family Banks](#) Family Connection. Encourage students to talk to their family members or guardians about banking.

### Standards Correlation

[National Standards for Financial Literacy](#) from the [Council for Economic Education](#)

1. Interest, dividends, and capital appreciation (gains) are forms of income earned from financial investments.
2. Consumer decisions are influenced by the price of a good or service, the price of alternatives, and the consumer's income as well as his or her preferences.
3. When people deposit money into a bank (or other financial institution), the bank may pay them interest. Banks attract savings by paying interest. People also deposit money into banks because banks are safe places to keep their savings.
4. Various financial institutions and businesses make consumer loans and may charge different rates of interest.

# What's Your Story?

**Directions:** Answer the questions below and create a profile for someone who is preparing to open a checking account at Any Town Bank.

<b>Name</b>	
<b>Date of Birth</b>	
<b>Address</b>	
<b>Age</b>	<input type="checkbox"/> Under 18 years of age <input type="checkbox"/> 18 years or older
<b>Joint owner, if under 18</b>	<input type="checkbox"/> Parent <input type="checkbox"/> Legal Guardian
<b>Opening deposit</b> (How much money will be put in the account when it is opened?)	<input type="checkbox"/> \$50 <input type="checkbox"/> \$100 <input type="checkbox"/> \$500 <input type="checkbox"/> \$1,500 <input type="checkbox"/> \$2,500
<b>Typical balance</b> (How much money will usually be in the account?)	<input type="checkbox"/> < \$100 <input type="checkbox"/> \$100 – \$500 <input type="checkbox"/> \$500 – \$1,500 <input type="checkbox"/> > \$1,500
<b>Preferred Statement Type</b> (Does the customer prefer to get paper statements via mail or will he or she be okay just getting electronic copies?)	<input type="checkbox"/> Electronic only <input type="checkbox"/> Paper and electronic
<b>Direct Deposit Expected</b> (Will the customer have money, such as a paycheck, deposited into the account on a regular basis?)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Interest Expected</b> (Does the customer expect to earn interest on the money in the account?)	<input type="checkbox"/> Yes <input type="checkbox"/> No

## Customer Description

Write a brief description of your customer. Is this his or her first checking account? Why is he or she opening the account? What is the customer hoping to get from the account?



# Anytown Account Application

123 Main Street, Anytown, US 12345

STUDENT HANDOUT

## PRIMARY APPLICANT INFORMATION

Name (First, Middle, Last)

Home Address

Mailing Address   
(if different from home address)

Mobile Phone Number

Home Phone Number

Email Address

Are you currently an Anytown Bank customer?  Yes  No

If yes, list your account number(s).

Do you have U.S. Citizenship or Resident Alien status?  Yes  No

Social Security Number/ITIN

Mother's Maiden Name   
(for security purposes)

Date of Birth

Gender  Male  Female

Identification Gender

ID #   
(e.g., U.S. Driver's License, State/  
Military ID, or a Passport)

State or Country of Issue

Date of Expiration

Employer Information

Employer

Work Address

Occupation



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## SECONDARY APPLICANT INFORMATION

Type of Account Holder (checkboxes)

Joint Owner

Power of Attorney

Custodian

Trustee

Representative Payee

Fiduciary

Other: \_\_\_\_\_

Name (First, Middle, Last)

Home Address

Mailing Address   
(if different from home address)

Mobile Phone Number

Home Phone Number

Email Address

Are you currently an Anytown Bank customer?  Yes  No

If yes, list your account number(s).

Do you have U.S. Citizenship or Resident Alien status?  Yes  No

Social Security Number/ITIN

Mother's Maiden Name   
(for security purposes)

Date of Birth

Gender  Male  Female



# Anytown Account Application

123 Main Street, Anytown, US 12345

STUDENT HANDOUT

Identification Gender

ID #

(e.g., U.S. Driver's License, State/  
Military ID, or a Passport)

State or Country of Issue

Date of Expiration

Employer Information

Employer

Work Address

Occupation

## ACCOUNT SELECTION

Check the account type for which you are applying:

- Free Checking: \$25 minimum to open; no minimum balance; eStatements required; no service charge; no interest
- Essential Checking: \$100 minimum to open; service charge applies to balances below \$100; free paper statement; no interest
- Premier Checking: \$100 minimum to open; interest earned on balances over \$1,000; monthly service charge of \$8.95 waived with direct deposit

## OPENING DEPOSIT

- Deposit Amount: \$
- Method:
  - Transfer from your other Any Town Bank Account  Account Number
  - With cash or a check

## ACCOUNT OPTIONS/SERVICES

Check the account options or services you are requesting:

- Debit Card:** Use your Anytown Debit Card to make debit (PIN-based) and credit (signature-based) purchases, receive cash back at thousands of retailers, and make ATM withdrawals and deposits. If selected, you will receive your card in the mail within 5–7 business days once your account is activated.
- Checks:** Receive your first order of standard personal checks for free.
- Overdraft Protection:** Protect your checking account from overdrafts in the event you try to spend more money than you have in your account. Overdraft Protection automatically transfers money from your linked savings account, another checking account, or your credit card to your checking account if you overdraw it. You pay for Overdraft Protection only when you use the service. Transfer and other fees may apply when you use this service.





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## SELF ENROLLMENT SERVICES

You may enroll in the following services at any time.

- **Online Banking:** Access your accounts from your computer or mobile device 24/7. Check balances, transfer funds, view account activity, set custom alerts, pay a friend, pay bills, and more! Visit our website to activate your Online Banking account.
- **Mobile Banking:** Use your mobile device to access your accounts 24/7 with AnytownMobile app. Deposit checks, check balances, transfer funds, view account activity, set custom alerts, pay a friend, pay bills, and more!
- **eStatements:** Save a tree! Access your statements online rather than through the mail. To enroll in and view your eStatements, sign into Online Banking and select “View eStatements” from the Services menu.
- **Direct Deposit:** Elect to have a recurring payment deposited electronically to your checking or savings account for free!

## NOTICES AND DISCLOSURES

**The following information pertains to procedures for opening or changing an account with Anytown Bank**

**USA Patriot Act:** Section 326 of the USA Patriot Act requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account or changes an existing account. This federal requirement applies to all new customers and current customers. This information is used to assist the United States government in the fight against the funding of terrorism and money-laundering activities. What this means to you: when you open an account or change an existing account, we will ask each person for their name, physical address, mailing address, date of birth, and other information that will allow us to identify them. We will ask to see each person’s driver’s license and other identifying documents and copy or record information from each of them.

**Bank Secrecy Act:** We are required, by federal law contained in the Bank Secrecy Act, to obtain, verify, and record information that identifies each person opening or having access to an Any Town Bank account. We will ask for your full legal name, residential address, Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN), Phone Number, and Date of Birth.

## SIGNATURES

I certify that the above information is true and correct. By signing below, I authorize Anytown Bank to verify the above information and to obtain further information concerning my credit history and standing on deposit accounts maintained with other institutions through electronic or manual verification. Anytown Bank reserves the right to decline opening any account based on information that may be obtained.

Primary Applicant’s Signature	<input type="text"/>	Date	<input type="text"/>
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Joint Applicant’s Signature	<input type="text"/>	Date	<input type="text"/>
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