

*To access the complete USCRI
Banking on the Future curriculum,
visit www.refugees.org.*

USCRI
**BANKING ON THE
FUTURE**

You can order your credit report from the following credit reporting agencies:

[Equifax](#)

PO Box 105873
Atlanta, GA 30348
800-685-1111

[Experian](#)

PO Box 2002
Allen, TX 75013
Consumer Credit Questions
888-EXPERIAN (888-397-3742)

[TransUnion](#)

Post Office Box 2000
Chester, PA 19022
(800) 888-4213

Credit



USCRI

1717 Massachusetts Ave, NW #200
Washington DC, 20036
Phone 202.797.2105
Fax 202.347.7177

BANKING ON THE FUTURE

WHAT IS CREDIT?

CREDIT IS THE SUM OF MONEY SOMEONE LOANS TO ANOTHER PERSON EXPECTING THAT THE MONEY WILL BE REPAYED WITH INTEREST.

YOU CAN ESTABLISH GOOD CREDIT BY USING A CREDIT CARD RESPONSIBLY.

Your **credit score (FICO)** is a number used by credit reporting agencies to represent your credit history.

It is important to have a good credit score so you can buy a house or car in the future.

When you apply for a loan or a credit card, creditors will request a copy of your **credit report** which includes your credit score.

Your history of how you pay your bills (credit score) is recorded by a **credit reporting agency**.

Paying your IOM loan on time will help you build a good credit score.

WHAT DO I NEED TO GET A CREDIT CARD?

- Personal information such as date of birth, home address, and telephone number
- A regular income
- A good record of paying your bills on time

Credit Cards can be expensive!

Understand the fees you have to pay for your credit card.

Some credit cards require an annual fee.

IMPORTANT THINGS TO KNOW

Do not apply for every credit card application you receive. This will have a negative impact on your credit score.

Keep your credit card balances low. High balances will have a negative impact on your credit score.

You should try to pay your balance in full.

IMPORTANT WORDS TO KNOW

Annual Percentage Rating (APR)- The APR is a measure of the cost of credit expressed as a yearly interest rate.

Usually, the lower the APR, the better. Be sure to check the fine print to see if your offer has a time limit. Your APR could be much higher after the initial limited offer.

Balance- Amount of money you have to spend.

Billing Cycle- The time between the dates your payments are due.

Credit Report- Your credit history written in a report. This document will be used by creditors to determine if they want to give you a line of credit.

Credit Reporting Agency- The agency that compiles information on how you pay your bills and how much *debt* you have.

Credit Score (FICO)- A number used by credit reporting agencies to represent your credit history.

Debt- The amount of money you owe to creditors.

Late fee- A fee charged for paying your monthly fee late.

Minimum Amount Due- Refers to the least amount you have to pay to keep your credit in good standing. You will find this on your monthly credit card statement.

Statement- A document showing credits and debits made on an account, sent to you monthly.

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CHOOSING THE RIGHT SERVICES

Ask the following questions when deciding to use electronic banking:

1. Will I have to pay extra fees to use the ATM machine?
2. What is the fee for using an ATM that is not owned by my bank?
3. Is on-line banking free through my bank?

COMING SOON

Soon, you will be able to make your IOM Loan payment on-line. You will save money buying a money order. Visit www.refugees.org.

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Electronic Banking



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BANKING ON THE FUTURE

WHAT IS ELECTRONIC BANKING?

Electronic banking is money moving electronically. Electronic Banking is also known as “electronic fund transfer” (EFT).

Computers and electronic technology are used as a substitute for checks and other paper transactions. “EFT”’s are initiated through things like cards or codes that let you, or those you authorize, access your account.

Electronic banking can be confusing, because you do not see the money.

ARE MY TRANSACTIONS PROTECTED?

Yes. The Electronic Fund Transfer Act (1978) is a law that protects consumers using any type of electronic banking from certain losses.

IS MY IDENTITY PROTECTED?

Yes. You will need a Personal Identification Number or PIN.

WHY SHOULD I USE ELECTRONIC BANKING?

You may already be using electronic banking.

- You can save money cashing checks.

- You will have access to your money immediately.
- You can receive information such as account balance immediately.
- You will not have to carry around large amounts of cash.

Keep your PIN numbers private! You should not share your PIN numbers with anyone who you do not want to access your account.

KINDS OF ELECTRONIC BANKING

Automated Teller Machine (ATM): An ATM is a machine that allows you to make bank transactions. You can withdraw cash from an ATM or make a deposit.

Direct Deposit: You can have your paycheck directly deposited into your checking or savings account. Instead of receiving a paycheck, you will receive a pay stub.

Debit Card: Debit cards replace cash and checks. A debit card can be used to make a purchase. They are linked to your checking account. A debit card may be the same card as your ATM card.

On-Line Banking: You can pay your bills through the internet and have 24-hour access to your account.

Stored Value Cards (pre-paid cards): A pre-paid card has a specific value. You cannot spend more than the value. Some

government benefits are paid through pre-paid cards (Electronic Benefits Transfer EBT). Most food stamp programs are delivered through EBT.

Be Careful! Do not withdraw more money than you have in the bank! You will be charged overdraft fees. Overdraft fees can be very expensive. Money transfers can take time. Your bank account balance may indicate that you have more money in your account than you actually do.

IMPORTANT THINGS TO KNOW

- Keep your PIN secret.
- When creating your PIN, avoid using numbers such as your birth date.
- Never write your PIN on your ATM or Debit card.
- Direct deposit of your paycheck is free.
- Keep a record of all your transactions and check your monthly bank statements.
- If your debit card has been lost, contact your bank immediately.

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Coming Soon.....

Save money by paying back your IOM
travel loan electronically. Visit USCRI @
www.refugees.org.

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**BANKING ON THE
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***IOM Loan and Your
Credit***



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BANKING ON THE FUTURE

WHAT IS CREDIT?

CREDIT IS THE SUM OF MONEY SOMEONE LOANS TO ANOTHER PERSON EXPECTING THAT THE MONEY WILL BE REPAYED WITH INTEREST

IT IS IMPORTANT TO HAVE A GOOD CREDIT SCORE SO YOU CAN BUY A HOUSE OR CAR IN THE FUTURE.

Make your IOM loan payments on time to establish good credit.

Your **credit score (FICO)** is a number used by credit reporting agencies to represent your credit history.

When you apply for a loan or a credit card, creditors will request a copy of your **credit report**. A credit report is a history of your financial behaviors and includes your *credit score*.

Your history of how you pay your bills (credit score) is recorded by a **credit reporting agency**. A *credit reporting agency* is the agency that compiles information on how you pay your bills and how much *debt* you have.

Failure to pay your IOM loan payments on time will result in a negative credit score.

Your IOM Loan Payments will be tracked through a *Credit Reporting Agency*.

IMPORTANT WORDS TO KNOW

Balance- Amount of money you have to spend.

Billing Cycle- The time between the dates your payments are due.

Credit Report- Your credit history written in a report. This document will be used by creditors to determine if they want to give you a line of credit.

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Minimum Amount Due- Refers to the least amount you have to pay to keep your credit in good standing. You will find this on your monthly credit card statement.

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WHAT IS MY IOM TRAVEL LOAN?

The United States Government issues interest free travel loans to refugees migrating to the United States.

The International Organization for Migration (IOM) administers the loan.

Good repayment of your IOM loan will help you get credit! Not repaying your IOM loan will result in a negative credit score which will make it harder to get credit.

What is my responsibility to this loan?

Before you came to the U.S., you signed a promissory note agreeing to pay back your loan. It is your responsibility to repay the total amount of your loan in regular monthly payments.

Your first statement will be sent to you three months after you have been in the United States.

Your monthly payment is to be received by the 10th of each month.

It is important that you notify USCRI when you move!

Contact USCRI at 202.797.2105

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IMPORTANT THINGS TO KNOW

Ask the following questions when deciding on a bank:

1. Is the bank insured?
2. Do they offer **free** checking/savings accounts?
3. Are there branches near my home or work?
4. Are there ATMs close to my home or work?
5. Do I need a minimum deposit to open an account?
6. How many checks can I write per month?
7. Do I have to maintain a minimum balance?
8. Will I be charged to use the ATM?
9. Does the account pay interest?
10. What is the highest interest rate I can receive?
11. Does the account come with an ATM card?
12. Do they speak other languages at the bank besides English?
13. Can I send money back home through this bank? If yes, how much does it cost?
14. What are the service and penalty fees?

Ask as many questions as you want. If they do not answer your questions, select another bank!

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Using the Bank



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BANKING ON THE FUTURE

WHAT IS A BANK?

A BANK IS A FINANCIAL INSTITUTION THAT OFFERS YOU A SAFE PLACE TO KEEP YOUR MONEY. THE UNITED STATES GOVERNMENT PROTECTS THE MONEY YOU DEPOSIT IN A BANK IN THE U.S.

WHY SHOULD I USE THE BANK?

1. It is easy. Pay bills, keep track of your money and cash checks.
2. It is safe. Money is kept safe from fire, theft, and loss.
3. It saves you money. Using a bank is cheaper than using a check cashing store.
4. It helps you build a better future. You will need a bank to get a loan. You can earn *interest* on the money you keep in a bank.

WHAT DO I NEED TO GET A BANK ACCOUNT?

- Identification such as driver's license or social security card. Your resettlement agency may have made special arrangements to use other forms of I.D. at a local bank.

-Personal information such as date of birth, home address, and telephone number

- Money to deposit (your bank may require a minimum deposit)

Make sure you understand the terms of your bank account! Bank accounts will charge you fees for services and for mistakes you make (penalties).

TYPE OF BANK ACCOUNTS

Checking account: A checking account is mainly used to pay bills. When you write a check you are giving your bank permission to take the money out of the account. You will be given an ATM (Automated Teller Machine) card to do bank transactions. You need to have enough money in your account to write checks or withdraw money.

Savings Account: A savings account earns *interest* on the money you deposit. If you save money each month, you will be able to invest in your future and have money for emergencies. All savings accounts will earn money from interest.

IMPORTANT WORDS TO KNOW

Bank account- Money deposited with a financial institution for investment or safe keeping.

Balance- Amount of money you have in your bank account.

Bank Fees- The money a bank takes out of your account to pay for services and penalties.

Check- A written document instructing a bank to pay money from the writer's account.

Credit- Increase in account balance.

Debit- Decrease in account balance.

Deposit- Money you add to your bank account.

Interest- The money the bank pays you for keeping your money in that bank. You usually only get paid interest on a savings account.

Penalties- Non-sufficient funds [NSF] fee, bounced/return check fee or overdraft fees. You can be charged as much as \$35.00 for overdrawing on your account. BE CAREFUL!

Teller- The main contact people at the bank who are usually at the counter.

Withdrawal- Money you take out of your bank account