Opening a Bank Account

Opening an account at a bank or credit union can help you keep your money safe.

What's the difference between a bank and a credit union?

Banks and credit unions offer the same services — like checking and savings accounts for your money. To join a credit union, you must be part of a group that's allowed to join that credit union.

Why would I open a checking account?

You might open a checking account at a bank or credit union:

▶ to keep your money safe

▶ to pay using a debit card or check (instead of cash)

▶ to get cash from an ATM

▶ to pay your bills online using your checking account

▶ to get access to loans, depending on your credit history

▶ to cash checks, wire money, or pay other people through a payment app (like Zelle)

Read **Using Debit Cards** at **consumer.gov/yourmoney** to learn more about how debit cards work.

Why would I open a savings account?

Banks and credit unions also offer savings accounts.

You might open a savings account:

▶ to keep your money safe

▶ to help save money for emergencies or goals

▶ to keep some money separate from the money you spend every month

Some banks and credit unions pay interest on the money in your account. That means they pay you a little bit to have an account with them. The amount is very small.

Do I have to pay fees?

Banks and credit unions might charge fees for different services.

To avoid paying fees:

▶ Sign up for a free checking account. It's free if you stay above the "minimum balance." That's the amount of money you must keep in your account.

▶ Use **your** bank or credit union's ATMs to get cash. If you go to an ATM from another bank or credit union, you might have to pay fees.

▶ Spend only the money you have. Spending more money than you have is called "overdrawing" your account. It always means you will pay big fees.

Sometimes you can avoid paying fees by using "direct deposit." This means your employer puts your paycheck directly into your bank or credit union account. Ask your employer if they offer direct deposit.

How do I choose a bank or credit union?

Compare the services at a few banks and credit unions before you open any account.

▶ Go to their websites or visit in person.

▶ Find out about the checking and savings accounts the bank or credit union offers.

▶ Look up or ask what fees you'll have to pay for each account.