Banking and Financial Services

Instructor Guide

(Updated June 2025)

Lesson: *Banking and Financial Services*

This course is expected to take approximately 60 minutes to teach. The learners are presented with information about personal banking and financial services through a series of PowerPoint slides. They will learn about financial institutions and the array of products and services they offer, how to choose the right financial institution based on their needs, understand the elements of digital banking, and master the principles of responsible money management.

Learning Objectives

At the conclusion of this course, learners should be able to:

- Discuss the differences between financial institutions and the products and services offered.
- Choose a financial institution to meet their needs.
- Discuss the essential elements of digital banking to manage their finances.
- Develop skills and knowledge necessary to manage their financial accounts.

Learning Activities

This lesson contains the following activities:

- Banking term match-up
- Consequences of financial mismanagement

Content Outline

1. Welcome and Introduction (5 minutes)
    - Welcome
    - Facilitator Introduction
    - Agenda
2. Financial Institutions: Products and Services (15 minutes)
    - Banks and credit unions
    - Types of accounts
    - Products and services

3. Choosing a Financial Institution (10 minutes)
   - Factors to consider when selecting a financial institution
   - Considerations when changing financial institutions
   - Actions to resolve complaints
4. Digital Banking (10 minutes)
   - Types of digital banking platforms
   - Security measures and safeguards
5. Smart Money Management (10 minutes)
   - Transactional accounts
   - Managing and reconciling accounts
   - Consequences of financial mismanagement
6. Resources (5 minutes)
7. Summary and Review (5 minutes)

Training Materials

- *Banking and Financial Services* Instructor Guide
- *Banking and Financial Services* PowerPoint Presentation
- *Military Banking* Handout

Using This Instructor Guide

Presenter preparation is the most important part of delivering information. Make sure to familiarize yourself with the content of the lesson so that you can effectively discuss each key point during the training session. Review the material and practice delivering the content ahead of time to feel comfortable covering the material in your own words.

To use this Instructor Guide, review its various parts and components below.

The **Discussion Points** section contains the key points you must present in the training. Present the information in the order provided. Use the discussion points as a lesson outline. Avoid reading it word-for-word.

An ***Instructor Note*** provides guidance for the instructor in presenting the discussion points. This section also includes specific instructions on using the media, activities for learners, and references to any other documents or content.

This symbol indicates a handout is associated with the content.

This symbol indicates a discussion activity is associated with the content.

Course Preparation

Being prepared for training promotes organization, projects a positive image, and reduces stress. To ensure you are prepared, review the following.

- *Banking and Financial Services* PowerPoint Presentation
- References:
  - DoD Instruction 1322.34, *Financial Readiness of Service Members*
  - DoD Instruction 1342.22, *Military Family Readiness*
- Resources:
  - Federal Deposit Insurance Corporation (FDIC) - https://www.fdic.gov
  - National Credit Union Administration (NCUA) - https://ncua.gov or https://mycreditunion.gov
  - Federal Trade Commission (FTC) - https://consumer.ftc.gov
  - Office of the Comptroller of the Currency (OCC) - https://www.helpwithmybank.gov

- Consumer Financial Protection Bureau (CFPB) - https://www.consumerfinance.gov

Instructor Note: The handouts contain additional information and resources. A digital version may be provided to learners via email before or after the course; printed copies are not required. Ensure you are familiar with resources available in the area. Be prepared to share that information with the learners.

Personalize your lesson. Use the white space on the left side of the page to add your notes and prompts for discussions.

You can fill it with:

- Subject matter
- Detailed/technical information
- Instructional strategies and methods
- Personal experiences
- Examples and analogies

Discussion Points

1. Welcome and Introduction

Slide 1

Instructor Note: Display slide 1 and welcome learners to the *Banking and Financial Services* course.

Say: Welcome to today's lesson on banking and financial services. The purpose of today's course is to help you understand the key concepts and principles of banking, enabling you to make informed financial decisions and manage your finances effectively. We'll explore the variety of products and services offered so you can choose the right institution that fits your needs to achieve your financial goals.

Gain learner attention and interest:

- Share a short story about the lesson topic
- Share a surprising fact about the lesson's topic
- Ask learners to share one thing they hope to learn from attending today's training

Facilitator Introduction

Introduce yourself by providing:

- Your name
- Your experience with the lesson topic, financial counseling experience, and/or professional/educational background

Instructor Note: Read the disclaimer to the group.

Disclaimer: *The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.*

Slide 2

2. Agenda

Instructor Note: Display slide 2. Briefly introduce the lesson topics.

Say: In this lesson, we will cover the following topics:

- Financial Institutions
- Banking Products and Services
- Choosing a Financial Institution
- Digital Banking
- Smart Money Management

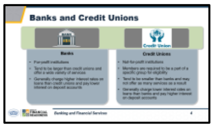
Slide 3

3. Activity – Banking Term Match-up

Instructor Note: Display slide 3 with the Banking Term Match-up activity. After discussion with the class, click the slide to reveal each answer.

Activity: Pair each banking term with the matching definition. Instruct learners to work together and discuss their reasoning for each match.

Say: Great job everyone. I hope you found this activity challenging and informative. Now that we've completed this activity, take a moment to reflect on the importance of these terms in your everyday life. They will empower you to make informed financial decisions as you manage your finances. We will reinforce what you have learned in this activity as we move through this course together.



Slide 4

4. Banks and Credit Unions

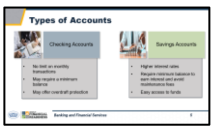
Instructor Note: Display slide 4 and distribute the *Military Banking* Handout.

Say: When you joined the military, one of your first decisions may have been to choose which financial institution to use to deposit your military pay directly. While the term "financial institution" could include several types of companies, for this course we are primarily going to focus on banks and credit unions. Many people are not aware of the difference between banks and credit unions. Understanding the differences will empower you to decide where to deposit your pay and manage your day-to-day finances. Let's cover some details on both financial institutions, beginning with banks.

Banks are often publicly traded (meaning banks sell ownership shares on the public market), and for-profit organizations owned by shareholders and governed by regulatory agencies at the federal and state levels. They usually offer a wide range of services and account options. Interest rates on loans tend to be higher, and interest rates on savings accounts tend to be lower than those of credit unions because of their for-profit status.

Credit Unions are not-for-profit organizations owned by their members. They are usually established to serve people working in a similar career field. Service members have many credit union options available to them. Because of its not-for-profit status, credit union interest rates on loans tend to be lower, and interest rates on savings accounts tend to be higher.

When deciding between a bank and a credit union, it's important to consider your individual financial needs. There's no right or wrong answer. Consider accessibility when choosing a bank or credit union, ensuring convenient access to your accounts no matter where you are stationed and how often you move. Find a solution that best fits your needs. Do your research and strive to choose an institution that aligns with your financial goals while providing the products and services you need to achieve financial success.



Slide 5

5. Types of Accounts

Instructor Note: Display slide 5.

Say: Understanding the different types of accounts available in banks and credit unions will help you make informed decisions about where to deposit your money and how to manage your finances effectively. Although banks and credit unions offer many account and service options, most people start by opening a checking account, a savings account, or both. Let's review some information on both types of accounts.

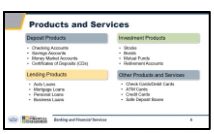
Checking Accounts: Checking accounts in a bank or "share draft" accounts in a credit union are more flexible. These accounts are designed for everyday transactions, allowing you to deposit money, write checks, withdraw cash, and make electronic payments. They typically offer features such as automated teller machine (ATM) debit cards, online banking, and mobile banking apps for convenient access to your funds. Here are some usual key features of a checking account:

- No limit on the number of transactions you can make each month.
- May require a minimum balance to avoid monthly maintenance fees.
- May offer overdraft protection linked to a separate account to cover transactions that exceed your available balance. In some cases, there may be an associated fee for this feature so carefully read the terms of use for your account.

Savings Accounts: In a savings account, or a "share savings" account, as credit unions call them, you deposit your money into the bank or credit union, and they provide a safe place for your money while paying interest on the balance. You can withdraw, transfer, or deposit your money directly from the bank or credit union through an ATM or virtual services. The institution may impose withdrawal limits. Generally, this type of account allows an unlimited number of deposits. Still, the institution may limit the number of transfers or withdrawals per month. Here are some key features of savings accounts:

- May offer slightly higher interest rates compared to checking accounts.
- May require a minimum balance to earn interest and avoid monthly maintenance fees.
- Provide easy access to funds for emergencies or unexpected expenses.

Consider factors like your financial goals and liquidity needs when choosing the right type of account. Evaluate each account type's features, fees, and interest rates to determine which aligns best with your financial situation.



Slide 6

6. Products and Services

Instructor Note: Display slide 6.

Say: What challenges are you facing managing your money? How can financial institutions help you solve these challenges? Banks and credit unions offer a wide range of products and services to meet the diverse financial needs of individuals, businesses, and organizations. Let's review some common ones.

Deposit Products: These accounts allow you to deposit money for safekeeping and potential growth. These include:

- Checking accounts: Designed for everyday transactions with features like ATM debit cards, checks, and online banking.

- Savings Accounts: Intended for long-term deposits and earning interest.
- Money Market accounts: Combines features of the checking and savings accounts. It usually offers higher interest rates but may have minimum deposit requirements and a limited number of monthly transactions permitted.
- Certificates of Deposit (CDs): Accounts that require you to deposit a specific amount of money for a defined time in exchange for a fixed interest rate.

Lending Products: These products allow you to borrow money to finance various purchases or projects. These include:

- Auto Loans: Loans designed explicitly for purchasing vehicles. They typically have fixed interest rates and repayment periods ranging from three to eight years.
- Mortgage Loans: Loans used to finance the purchase of a home. These loans are generally longer term and vary by lender. The interest rate may be fixed or variable. The typical term is 15 or 30 years.
- Personal Loans: Unsecured loans that can be used for a variety of purposes, such as home improvements, debt consolidation, or unexpected expenses.
- Business Loans: Loans tailored to the needs of small businesses, providing funding for equipment purchases, expansion, or working capital.

Investment Products: Investment products allow you the potential to grow your wealth and achieve long-term financial goals. Unlike savings and checking accounts, investment products include a level of risk, meaning the possibility of growth comes with the chance of losing part or all of your investment. Financial institutions do not insure investment products like they insure checking and savings accounts. Let's cover some typical investment products.

- Stocks: Ownership shares in publicly traded companies, offering the potential for capital appreciation and dividend income.

- Bonds: Debt securities issued by governments, municipalities, or corporations providing fixed interest payments and return of principal at maturity.
- Mutual Funds: Pooled investment vehicles that invest in a diversified portfolio of stocks, bonds, cash, or other assets, managed by professional portfolio managers.
- Retirement Accounts: Tax-advantaged accounts designed to help individuals save for retirement, such as an Individual Retirement Account (IRA).

Other Banking Products and Services: In addition to deposit, lending, and investment products, banks and credit unions offer a variety of additional services to meet your specific financial needs. There's a good chance that many of you are already taking advantage of these benefits. Let's delve into them.

- Check Card/Debit Cards: Most financial institutions offer a combination check card/debit card. It looks like a credit card, but it is linked to your checking account. When you swipe your card for point-of-sale transactions, as you would a credit card, the transaction is almost immediately deducted from your checking account. With any check, debit, or ATM card, it is important to track and review your account regularly to verify purchase amounts and your available account balance so you can avoid overdrawing your account and paying overdraft or non-sufficient funds fees. Be aware that these are not credit cards and do not help establish credit. However, because financial institutions track overdrafts and non-sufficient funds transactions, mismanagement of your card can adversely affect your credit reputation. You can also use these cards at any ATM to make withdrawals and deposits. An ATM may charge a usage fee if you do not have an account with the institution.

- ATM Cards: Some financial institutions offer a separate ATM card that you may link to a checking or savings account and withdraw cash from that account. A PIN is required to access the account and you cannot use the card for other purchasing transactions. NOTE: Using

ATMs overseas may be advantageous since the fees for withdrawing money may be lower than the fees charged by currency exchange services. Be sure to check if exchange fees also apply to your transaction.

- Credit Cards: These are issued by a bank allowing you to borrow money to make purchases. Each month, you receive a bill with a minimum monthly payment. You can pay the total balance, a portion of the balance, or make a minimum payment. You will pay interest charges if you carry a balance. Your credit card has a preapproved credit limit, which is the maximum amount you can borrow at any given time. Your monthly statement includes the "Minimum Payment Warning" section stating how long it will take to pay the entire balance on your account and how much you will pay in interest if you make minimum payments only. Remember, responsible use of a credit card can help you establish and improve your credit reputation, which is essential when applying for loans and other forms of credit in the future.

- Safe Deposit Boxes: These are secure storage containers banks and credit unions provide to protect valuable items and documents from theft, loss or damage. They are typically located within the bank's vault and the box holder or authorized individuals are only able to access them. Generally, institutions charge an annual rental fee which can vary depending on the box size. Contents stored inside safe deposit boxes are not insured by the financial institution.

Slide 7

7. Factors to Consider when Selecting a Financial Institution.

Instructor Note: Display slide 7.

Say: So far, we've covered the differences between banks and credit unions and reviewed the types of accounts, products and services they offer. In this section, we'll cover selecting a financial institution to meet your needs. With all these options, choosing one that is the right fit for your needs can be difficult. To help you make an informed decision, let's discuss some essential factors you should consider when selecting a bank or credit union to strengthen your financial well-being.

- Convenience: For most people, convenience and accessibility are significant factors in choosing a financial institution. Consider your location, preference, and need for in-person services offered by a financial institution, especially if you plan to PCS overseas or deploy. Based on your situation, consider what features are most important to you to manage your finances efficiently.

- Online and Mobile Banking Services: Common online and mobile banking services like bill pay, remote deposit, and transfers can make your financial life easier. Evaluate your banking options and make sure your choice aligns with your needs. Review the institution's online platform and mobile app to ensure it has the features and functionality you need.

- Fees and Account Requirements: Compare the fees associated with your checking and savings accounts. Look for institutions that offer competitive interest rates, low or no monthly fees, and minimum balance requirements. Review foreign transaction fees if you are deployed or living overseas. Be sure to check for any special programs or waivers if you are living overseas.

- Credit and Investments: Does the bank or credit union offer credit cards, competitive loan rates, and investment products?

- Security: Research to ensure you are dealing with a legitimate business. Confirm that the bank is insured under the Federal Deposit Insurance Corporation (FDIC) or the credit union is insured under the National Credit Union Administration's (NCUA) Share Insurance Fund. Coverage is automatic and protects depositors up to

$250,000 per depositor, per insured institution, for each ownership category. Ensure websites and apps are encrypted. Use strong and unique passwords and set up multi-factor authentication (MFA). Avoid banking on public Wi-Fi networks. Protect yourself from phishing scams by not providing log in information through a link sent via email or text; access your accounts directly through the institution's website or app. Monitor account activity and notify your financial institution immediately if you notice any unauthorized transactions.

- Customer Service Support: Does the bank or credit union offer adequate customer support? Can you easily reach a customer support representative without having to go into a building or without a lengthy phone wait? Do they offer virtual support via digital assistance or a live chat feature on their platform?

- Compatibility: Service members and their families often have unique banking needs that cannot be met by all financial institutions. Look for institutions that allow direct deposit, access to your accounts remotely, deposit checks remotely, and have online bill pay. Some institutions may offer deployment-status services such as interest rate reductions, bill deferments, and other services and perks.

Slide 8

8. Actions to Resolve Complaints

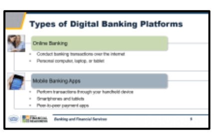
Instructor Note: Display slide 8.

Say: If you have a dispute with a financial institution, you should handle it like any other consumer complaint; start by contacting your bank or credit union. Each financial institution has a chain of command for handling complaints. Here is the chain you can follow:

- Customer service representative
- Branch manager (if it is a branch)
- Institution president

When you talk with individuals, keep a written record of whom you spoke to and what was discussed or decided. Remember to remain calm and treat the bank or credit union staff with respect during your conversations. Follow their complaint resolution process. If you still need resolution, there are federal, state and local regulatory agencies that govern financial institutions. You can also contact the Office of the Comptroller of the Currency (OCC) and the Consumer Financial Protection Bureau (CFPB). The CFPB Office of Servicemembers Affairs provides information to help military consumers protect their finances. CFPB also assists in consumer complaints and will forward your complaint to the financial institution and work to get a resolution. Meet with your local PFM for support and resources. Navy, Marine Corps, and Coast Guard members can meet with their CFS for additional support. Your legal services office can help as well.

Remember, as a Service member, you have rights and protections under federal laws like the Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA). Don't hesitate to seek assistance if you believe your rights have been violated.



Slide 9

9. Types of Digital Banking Platforms

Instructor Note: Display slide 9.

Say: What are some challenges you've experienced with traditional banking methods? Do you think digital banking could address them?

Let's begin by defining digital banking. It is a broad term that covers any banking transactions that can be done virtually. It includes electronic funds transfers (ETFs), direct deposits, ATM transactions, account transfers, online payments, and account management transactions. Digital banking helps manage your finances conveniently and securely from anywhere, at any time. There are three common digital banking platforms.

Online Banking: Most financial institutions offer online banking as a regular service, allowing you to conduct banking transactions. The benefits of these services include convenience, ease of access, transaction speed, and the ability to perform a wide range of transactions online. This can be especially helpful for military members who travel and move often.

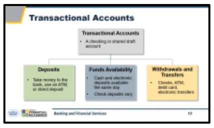
Access to online services is established with your bank or credit union via their website or mobile app using your login credentials. Online banking can be done anywhere at any time, and it allows you to complete most transactions without ever entering a physical building.

Typical online services include:

- Accessing electronic account statements
- Verifying account balances
- Transferring funds between accounts
- Remote deposit by electronically transmitting a digital image of the check
- Online bill-paying services
- Applying for loans and credit cards
- Purchasing investment products

Mobile Banking Apps: Designed specifically for smartphones and tablets, mobile banking apps allow you to access your accounts and perform transactions directly from your device. They offer a range of services, including mobile check deposit, card management, and personalized alerts and notifications. Most mobile banking apps allow you to do almost everything you can do online. Financial technology apps (fintech) are also available to help you manage your money. However, they may also include fees, interest rate charges, and subscription costs while not providing consumer protections like FDIC coverage and military-specific provisions offered under MLA or SCRA.

Peer-to-Peer Payment Apps: Proceed with caution when it comes to peer-to-peer payment apps. While they can be a convenient way to split a bill or pay for something, it is important to know that these platforms do not offer the same consumer protections as a financial institution. Avoid transferring money to someone you don't know, find out if there are associated fees, and consider sending a small amount to confirm the recipient's identity before making a significant transfer.



Slide 10

10. Transactional Accounts

Instructor Note: Display slide 10.

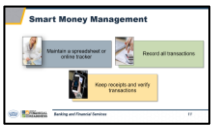
Say: Although it is important to choose the right financial institution, accounts, and services, it is even more important to manage your money responsibly once it is in your chosen bank or credit union. In this section, we will discuss transactional accounts, which are fundamental components of personal banking.

Transactional Accounts: Most people's main account is a checking or share draft account. These are transactional accounts and serve as hubs for daily transactions such as deposits, withdrawals, and transfers. Let's review these transactions and how to handle them effectively.

Deposits: You can make a deposit by taking your money to the bank, using an ATM, taking a digital image of your check and transmitting it electronically, transferring funds from another institution, mailing your deposit to the bank, or by direct deposit from your employer.

Funds Availability: Once you deposit your money, you may find that not all funds are available immediately. The Federal Reserve establishes the legal limit on how long a financial institution may delay a customer's ability to use deposited funds. Cash and electronic deposits are usually available for withdrawal on the same business day. Check deposits vary depending on factors such as the type of check, the amount, and the account holder's relationship with the bank.

Withdrawals and Transfers: You can withdraw money from your account in several ways. Although writing checks used to be the most popular way to access funds in your account, using your ATM/debit/check card and electronic transfers are more common today. You can also transfer funds from one account to another within the same bank or between different financial institutions. You can initiate electronic transfers through online banking platforms, mobile banking apps, or automated phone systems.



Slide 11

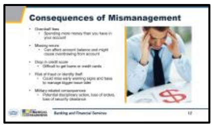
11. Smart Money Management

Instructor Note: Display slide 11. Ask learners how many of them actively manage and monitor their accounts. Did any of them experience fees due to improper management?

Say: Managing your financial accounts is a must for maintaining accurate records and ensuring that your accounts reflect your true financial position. It’s a fundamental part of money management. Find a system that works for you and will help you keep up with your transactions. If you do not want to maintain a paper copy, try keeping a spreadsheet or online tracker. There are also online sites and mobile apps that can help you track what is coming in and going out. Just make sure when using online and mobile tracking methods that you check the security of the platform and your account information first.

Record all account transactions to ensure that you know the balance on your accounts before you make a withdrawal. Keep printed or digital receipts that include the date, confirmation number, and description to match the transaction when you review your account. When using an ATM, hold your receipt until you verify it online or with your account statement.

You can maintain accurate financial records and detect errors or discrepancies early by accurately managing your accounts. It will let you know exactly how much money you have, where it’s going, and keep you from overdrawing your account.



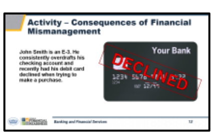
Slide 12

12. Consequences of Financial Mismanagement

Instructor Note: Display slide 12.

Say: We've covered the importance of managing your financial accounts. Now, let's talk about what can happen if we don't stay on top of it. Picture this: you forget to keep track of your spending or don't check your account balance regularly. What could go wrong?

- Overdraft fees: If you spend more money than you have in your account, you may have to pay overdraft fees.
- Missing errors: If you do not actively manage your accounts, you can miss errors that could affect your account balance and possibly cause you to overdraw your account.
- Drop in credit score: Missed or late payments can hurt your credit reputation, making it harder to get loans or credit cards in the future. If you do, you may have to pay more in interest.
- Risk of fraud or identity theft: If you don't keep track of your accounts, you could miss early warning signs of identity theft and fraud, which could lead to more financial challenges when you have to deal with it later.
- Military-related consequences: Financial mismanagement can potentially lead to disciplinary action, loss of orders, eligibility for promotion or specific duty assignments or programs, and loss of your security clearance.



Slide 13

13. Activity – Consequences of Financial Mismanagement

Instructor Note: Display slide 13 with the following scenario displayed.

John Smith is an E-3. He consistently overdrafts his checking account and recently had his debit card declined when trying to make a purchase.

Review this scenario together and discuss the potential consequences. How could it have been avoided? What actions could John take to improve his money management?

Potential actions that could help in this situation could include setting low balance alerts, following a spending plan, regular account monitoring and review, and transaction validation. Ask learners to share the potential personal and professional consequences of financial mismanagement. After the group has had time to respond, remind learners that mismanagement can affect consideration for reenlistment, retention, duty assignments, special programs, promotions, security clearances, and discharge.

Say: As you can see from this activity, not managing your accounts can lead to negative consequences that can impact your financial well-being and military career. As a Service member, you are required to maintain your finances successfully. Mismanagement of your finances can negatively affect both your personal AND professional life.

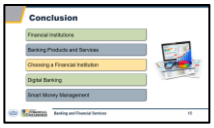
Slide 14

14. Additional Support and Assistance

Instructor Note: Display slide 14.

Say: Banks and credit unions offer many products and services to help you manage your financial life. The information and resources in this course can help guide your decision-making but you should know that you do not have to figure it out alone. If you need help with your finances, multiple resources are available to you. Military financial resources include your

- Personal Financial Managers, Personal Financial Counselors, or Financial Readiness Program Specialists at your local military and family support center
- Command/Unit Financial Specialist (for Navy, Marine Corps, and Coast Guard)
- Installation legal office
- Military aid and relief societies



Slide 15

15. Conclusion

Instructor Note: Display slide 15.

Say: We discussed financial institutions and the types of accounts, products, and services they offer. Then, we discussed how to choose a financial institution to meet your needs, digital banking, and the benefits of smart money management. I hope you are now empowered to make informed financial decisions while navigating the financial institution landscape.

Follow up with your financial resources if you need additional information or support.

Does anyone have any final questions about the information we covered today?

Thank you for your participation!