

Student name: _____ Date: _____

MODULE 27

Describe how to open a checking account, balance a checkbook, and apply for a loan.

Objectives:

- A. Describe how to open a checking account.**
- B. Demonstrate how to balance a checkbook.**
- C. Practice filling out an application to apply for a loan.**

MODULE 27: INFORMATION SHEET

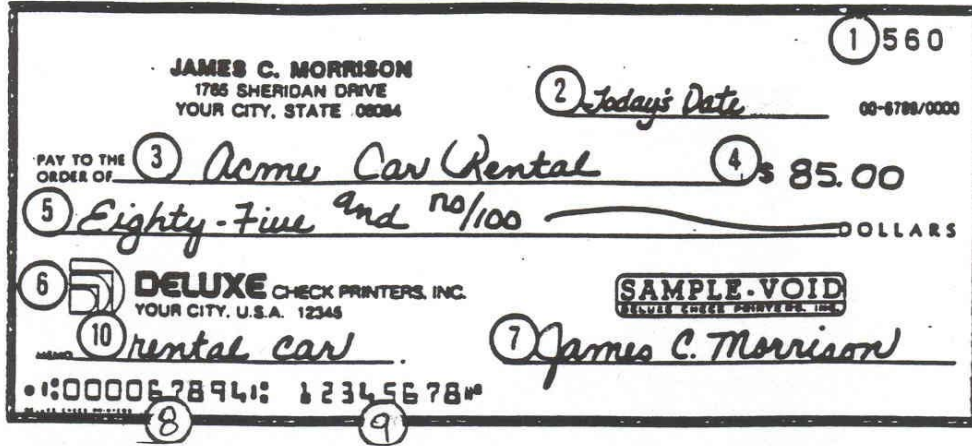
TO THE STUDENT: Read and study this information sheet, completing the student activities throughout this module.

TO THE TEACHER AND STUDENT:

This module is just an example. To make the module more practical, obtain materials from a local bank in your area. Students may work with a bank and actually open an account. With electronic and Internet banking now available and services such as MAC cards, Debit cards, credit cards and PayPal, the most important message is learning to handle money responsibly. Keeping track of what you spend is the core of all those services.

Handling your own checking account

Parts of a check: Many of you are familiar with each of the parts of a check. This exercise is meant to serve as a brief review.



1. **Consecutive number:** Usually these numbers will be printed on your checks. It provides a good way to keep track of how many checks have been written.
2. **Date line:** The date the check is written.
3. **Payee line:** The name of the person or business to whom the check is written.
4. **Amount of check:** This should be written in figures.
5. **Amount of check:** This should be written in words.
6. **Bank logo/titleplate:** This identifies the financial institution where your checking account is located.
7. **Signature line:** This should be the legal signature of the person writing the check.
8. **Bank code:** Every financial institution in the Federal Reserve system is assigned an identification number. This number ensures that the check will be directed back to your own bank.
9. **Customer account number:** This is the number that identifies each separate checking account at the bank. Both the bank code and customer account number are printed using magnetic ink so that they may be read by high-speed electronic sorters.
10. **Memo line:** This is a space for the check writer to record why the check is written.

How to write a check

1. Using a pen or typewriter, date the check the day you write it. Checks are sorted electronically so post-dating a check has no effect on when it will be subtracted from your account.
2. Write CLEARLY the name of the person or firm to whom payment is to be made.
3. Write the amount of the check in figures. Begin writing as closely to the dollar sign as possible to prevent anyone from adding a digit in front of what you've written.

For example: $\underline{\$15.50/100}$
Correct

$\underline{\$ 15.50/100}$
Incorrect

4. Write in words the dollars and show the cents as fractions of 100. Draw a wavy line in the remaining space. For example:

Eighty-five and $\frac{50}{100}$ ~~~~~ Correct


Eighty-five and $\frac{50}{100}$ Incorrect

[Note: If the figures in #3 and the words in #4 do not match, some banks use the figures on the check. Ask your bank whether they use the figures or the words in case of a conflict.]


5. Sign your name EXACTLY as it is printed on your checks. DO NOT SIGN a check until it is ready to be used. When you sign a check, you become responsible for paying the amount indicated on the check.
6. The memo line is to record why the check is written.

Activity 1:

1. Today, you have a bill of \$132.53 for auto repairs at Auto Re-New, Inc. Fill out the sample check below to reflect this payment.

JAMES C. MORRISON 1765 SHERIDAN DRIVE YOUR CITY, STATE 00084		DATE _____	561 00-8789/0000
PAY TO THE ORDER OF _____		\$ _____	
		DOLLARS	
 DELUXE CHECK PRINTERS, INC. YOUR CITY, U.S.A. 12345		SAMPLE-VOID DELUXE CHECK PRINTERS, INC.	
MEMO _____			
⑆0000067894⑆ 12345678⑈			

2. Today, you need to pick up some groceries on your way home from work. You stop at the Super-Buy Store and write a check for \$10.57 to pay for the groceries. Fill out the sample check below to reflect this payment.

JAMES C. MORRISON 1765 SHERIDAN DRIVE YOUR CITY, STATE 00084		DATE _____	561 00-8789/0000
PAY TO THE ORDER OF _____		\$ _____	
		DOLLARS	
 DELUXE CHECK PRINTERS, INC. YOUR CITY, U.S.A. 12345		SAMPLE-VOID DELUXE CHECK PRINTERS, INC.	
MEMO _____			
⑆0000067894⑆ 12345678⑈			

How to keep your check register

As you write checks, it is necessary for you to have a means of keeping track of how much money you have spent as well as the amount remaining in your account. If you don't keep track of this amount, you may write a check for more money than you have in your account. To save embarrassment and any charges for checks returned because of insufficient funds, keep your register up-to-date. The check register you receive when your account is opened allows you to do this.

A check register will be included with your checks. Here is an example:

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT							
NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	✓ T	FEE (-)	DEPOSIT/CREDIT (+)	BALANCE
560	7/25	Acme Car Rental	85 00				100 00 15 00
①	②	③	④	⑤	⑥	⑦	⑧

Parts of a check register

The columns on a check register are headed as follows:

1. Number - Write in the number that appears in the upper right corner of the check.
2. Date - Write in today's date.
3. Description of Transaction - Write the same information as was written on the payee line. Write in the sources of a deposit.
4. Payment/Debit - Write in the amount of the check in numbers.
5. Check Mark - Use this column to record which canceled checks you have received with your monthly statement.
6. Fee - Some financial institutions charge a small fee for each check written. If yours does, write that amount in this column.
7. Deposit/Credit - Write in the amount of the deposit in numbers.

8. Balance - This is the approximate amount you have in your checking account. Because of the time lapse between writing a check and having the amount subtracted from your account or the time it takes for a deposit to be added to your account, the balance might not exactly agree with the actual amount in your account at any given time.

The checks may have a stub attached at either the top or the left side.

		+		
BALANCE FOR'S	100	00	DATE	today's date
DEPOSIT/CREDIT			\$	85.00
TOTAL	100	00	560	
THIS PAYMENT	85	00	TO	Acme Car Rental
OTHER TRANSACTIONS			FOR	rental car
BALANCE FOR'S	15	00	<input type="checkbox"/>	CHECK HERE IF TAX DEDUCTIBLE

Top stub (if available)

Parts of a check stub (For top stub or end stub registers):

Balance Forwarded - Copy the balance from the preceding stub into this space.

Deposit/Credit - Write the amount of the deposit in this space.

Total - Write the sum of the preceding lines in this space.

This Payment - Write the amount of the check in this space.

Other Transactions - Write the amount of any deductions, such as service charges, or automatic payments, in this space.

Balance For'd. (Forward) - The amount remaining after subtracting the preceding two columns from the total.

Each of these methods for recording transactions works essentially the same way.

Writing Checks

Enter your check in the register BEFORE writing it. This will ensure that you remember to record the check and to subtract the amount.

Record: Check number, date, payee, purpose of check, amount of check.

Subtract: Amount of check from previous balance.

Entering Deposits

Record: Date, source of deposit, amount of deposit.

Add: Amount of deposit to previous balance.

To avoid error, remember to keep your register up-to-date. Subtract check amounts as you write them. Add deposits as soon as they are made. If your register is not up-to-date, you have a greater chance of overdrawing your account by writing checks for which you have no money. An up-to-date register is also easier to reconcile with your monthly statement. Keeping an accurate check register will also be a great help at tax time.

Look at the example

You have \$50 in your checking account. For Christmas, you receive a check for \$100 from your generous Aunt Carol. You deposit it on December 26 so you can pay for a membership to the All-American Health Club on December 28. These transactions would be recorded in the following manner:

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT										
NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓ T	FEE IF ANY (-)	DEPOSIT/CREDIT		BALANCE	
			(-)				(+)			
									50 00	
	12/26	Aunt Carol's Gift					100 00		150 00	
563	12/28	All-American Health Club	75 00						75 00	

563 \$75.00

December 28, 2003

TO All-American Health Club

BAL. FORD	DOLLARS	CENTS
	50	00
DEPOSIT/CREDIT	100	00
TOTAL	150	00
THIS PAYMENT	75	00
OTHER DEDUCTIONS		
BAL. FORD	75	00

PAY TO ORDER

BALANCE FORD	50 00	DATE	December 28, 2003	\$75.00	563
DEPOSIT/CREDIT	100 00	TO	All-American Health Club		
TOTAL	150 00	FOR	Membership		
THIS PAYMENT	75 00				<input type="checkbox"/> CHECK HERE IF TAX DEDUCTIBLE
OTHER TRANSACTIONS					
BALANCE FORD	75 00				

Activity 2: #1

1. You have a balance of \$183.15. Record the check you wrote to Auto Re-New, Inc. in Activity 1 on page 4 in the register most like the one you would normally use.

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT									
NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓ T	DEPOSIT/CREDIT		BALANCE	
			(-)			(-)	(+)	\$	
			\$			\$	\$		

561		
DATE _____		
TO _____		
BAL. FORD	DOLLARS	CENTS
DEPOSIT/ CREDIT		
"		
TOTAL		
THIS PAYMENT		
OTHER DEDUCTIONS		
BAL. FORD		

PAY TO ORDER

BALANCE FORD			DATE _____ \$ _____ 561
DEPOSIT/CREDIT			TO _____
TOTAL			FOR _____
THIS PAYMENT			<input type="checkbox"/> CHECK HERE IF TAX DEDUCTIBLE
OTHER TRANSACTIONS			
BALANCE FORD			

Activity 2: #2

- You have a balance of \$92.03. Record the check from the Super-Buy Store on page 4 in the register like the one you would normally use.

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT									
NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓ T	DEPOSIT/CREDIT		BALANCE	
			(-)			(-)	(+)		
			\$			\$	\$		

561

DATE _____

TO _____

	DOLLARS	CENTS
BAL. FORD		
DEPOSIT/ CREDIT		
TOTAL		
THE PAYMENT		
OTHER DEDUCTIONS		
BAL. FORD		

PAY TO ORDER

BALANCE FORD		
DEPOSIT/CREDIT		
TOTAL		
THE PAYMENT		
OTHER TRANSACTIONS		
BALANCE FORD		

DATE _____ \$ _____ 561

TO _____

FOR _____ CHECK HERE IF TAX DEDUCTIBLE

How to make a deposit

To put your checks and cash into your account, fill out a DEPOSIT TICKET. Deposit tickets are printed in many styles and come bound behind your checks. They are printed with a front or face side and a reverse side. Your deposit tickets are printed with the same code line that is on your checks. When deposits are read by an automatic sorter, the amount of the deposit is added to your account. When the deposit ticket is returned with your monthly statement, you have a permanent record of checks and cash you have deposited.

DEPOSIT TICKET

JAMES C. MORRISON
1765 SHERIDAN DRIVE
YOUR CITY, STATE 12345


DATE Today's date

CASH →			
<small>LIST CHECKS ONLY</small>			
75-1676	100	00	
70-2283	25	00	
78-920	50	00	
72-2218			
TOTAL FROM OTHER SIDE	35	00	
<small>IDENTIFICATION</small>	5	TOTAL	210 00

00-6789/0000

USE OTHER SIDE FOR ADDITIONAL LISTING. ENTER TOTAL HERE

BE SURE EACH ITEM IS PROPERLY ENDORSED

 **DELUXE** CHECK PRINTERS, INC.
1234 COMMERCE AVENUE
CITY, STATE 12346

⑆000067894⑆ 12345678⑈

***** CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT

	CHECKS LIST SEQUENTIAL	DOLLARS	CENTS
1	75-1054	15	00
2	17-7001	20	00
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
	TOTAL		

ENTER TOTAL ON THE FRONT OF THIS TICKET

Look at the example

James C. Morrison wants to take out \$20.00 in cash. He will deduct that amount in the "Less Cash Received" column (6). Instead of holding out one check for cash, James deposits ALL checks in order to have a permanent record of checks deposited.

DEPOSIT TICKET

① **JAMES C. MORRISON**
1765 SHERIDAN DRIVE
YOUR CITY, STATE 12345

② DATE today's date

⑦ James C. Morrison
SIGN HERE FOR CASH RECEIVED (IF REQUIRED)

③	CASH		CURRENCY	COIN
	AMOUNT			
④	Johnson	100	00	
④	Allen	25	00	
④	Wilson	50	00	
⑤	TOTAL FROM OTHER BANK	35	00	
⑥	TOTAL	210	00	
⑥	LESS CASH RECEIVED	20	00	
⑧	NET DEPOSIT	190	00	

00-6789/0000

USE OTHER SIDE FOR ADDITIONAL LISTING

BE SURE EACH ITEM IS PROPERLY ENDORSED

DELUXE CHECK PRINTERS, INC.
1234 COMMERCE AVENUE
CITY, STATE 12345

①000067894① ①2345678①

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT.

CHECKS LIST SINGLY	DOLLARS	CENTS
1 Adams	15	00
2 Smith	20	00
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
TOTAL	35	00

ENTER TOTAL ON THE FRONT OF THIS TICKET

The deposit ticket for each bank may vary slightly; however, each type will require that you give:

1. Your name and address.
2. Today's date.
3. Total coin and currency deposit.

4. A listing of checks deposited. Identify checks by writing either the name of the person or association writing the check (see example below).
5. Total from reverse side. If all checks cannot be listed on the front side of the ticket, use the reverse side and bring the total to the front side.
6. If appropriate, total the amount of cash you wish to receive. This feature is not included on all deposit tickets.
7. If you receive cash, you need to sign the deposit slip.
8. Write in your net deposit. This will be the total of the currency, coin, and check listings on both face and reverse sides of the slip.

Activity 3: #1

- On September 1, you have \$1.65 in coins and four checks to deposit:
 Billings Realty, \$162.12; John Keller, \$14.00; Mary Blake, \$25.00; and an IRS
 refund check for \$300.00. You would also like \$50.00 cash back.

Complete the deposit ticket below.

DEPOSIT TICKET																			
JAMES C. MORRISON 1785 SHERIDAN DRIVE YOUR CITY, STATE 12345		 00-8789/0000 USE OTHER SIDE FOR ADDITIONAL LISTING. @ ENTER TOTAL HERE BE SURE EACH ITEM IS PROPERLY ENDORSED																	
DATE _____																			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">CASH →</td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> </tr> <tr> <td style="text-align: center;"><small>LIST CHECKS SEPARATELY</small></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;"><small>TOTAL FROM OTHER SIDE</small></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td></td> <td></td> </tr> </table>	CASH →			<small>LIST CHECKS SEPARATELY</small>									<small>TOTAL FROM OTHER SIDE</small>			TOTAL		
CASH →																			
<small>LIST CHECKS SEPARATELY</small>																			
<small>TOTAL FROM OTHER SIDE</small>																			
TOTAL																			
DELUXE CHECK PRINTERS, INC. 1234 COMMERCE AVENUE CITY, STATE 12345																			
@0000678941: 12345678#																			
CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT																			


	CHECKS LIST SEPARATELY	DOLLARS	CENTS
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
	TOTAL		

ENTER TOTAL ON THE FRONT OF THIS TICKET

Activity 3: #2

- On March 31, you have \$2.12 in coins from your piggy bank and four checks to deposit: Carol Sims, \$5.00; Norelco, Inc., \$2.50; State Tax refund check, \$35.00; and Jack Paulson, \$8.50.

Complete the deposit ticket below.

DEPOSIT TICKET														
<p>JAMES C. MORRISON 1785 SHERIDAN DRIVE YOUR CITY, STATE 12345</p>														
DATE _____														
														
<p>⑆000067894⑆ ⑆2345678⑆</p> <p><small>CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT</small></p>														
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">CASH →</td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> </tr> <tr> <td style="text-align: center;"><small>LIST CHECKS SEPARATELY</small></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">TOTAL FROM OTHER SIDE</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td></td> <td></td> </tr> </table>	CASH →			<small>LIST CHECKS SEPARATELY</small>			TOTAL FROM OTHER SIDE			TOTAL			<div style="border: 1px solid black; width: 40px; height: 40px; margin: 0 auto;"></div> <p style="text-align: center;">00-8789/0000</p> <p style="font-size: small;">USE OTHER SIDE FOR ADDITIONAL LISTING. ENTER TOTAL HERE</p> <p style="font-size: x-small;">BE SURE EACH ITEM IS PROPERLY ENDORSED</p>	
CASH →														
<small>LIST CHECKS SEPARATELY</small>														
TOTAL FROM OTHER SIDE														
TOTAL														

	CHECKS LIST SEPARATELY	DOLLARS	CENTS
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
	TOTAL		

ENTER TOTAL ON THE FRONT OF THIS TICKET

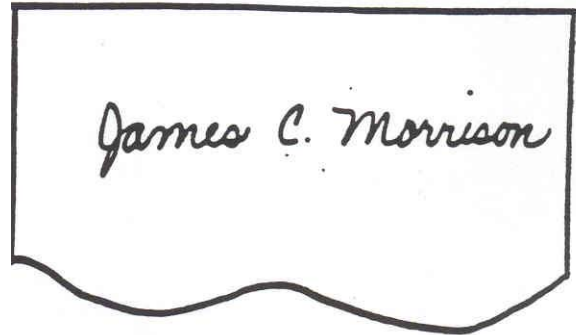
How to endorse a check

Before you can cash a check, you must endorse it. Endorsing means that you sign your official signature on the back of the check (turn check over so that you'll be signing your name over the "Pay to the order of" end of the check).

Following are common kinds of endorsements. Each has a distinct purpose and, in a sense, gives direction as to the conditions under which the financial institution shall pay the check.

1. Endorsement in Blank

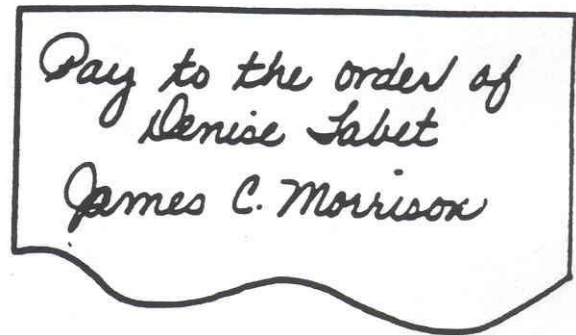
You sign only your name on the endorsing end of the check. When you sign an endorsement in blank, you have transferred the check to the financial institution. If you lose the check, it can be cashed by anyone. Use this kind of endorsement only at the exact time you cash it.



A rectangular box with a wavy bottom edge containing the handwritten signature "James C. Morrison".

2. Endorsement in Full

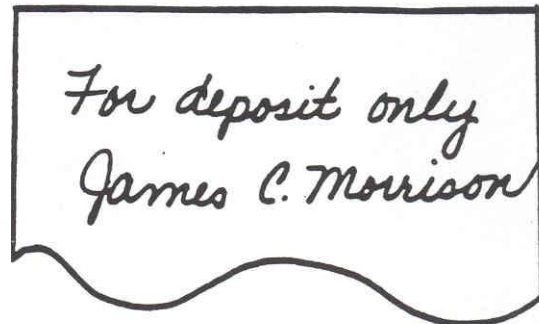
If a check is made out to you and you, in turn, want to give it to someone else, use this kind of endorsement. You write "Pay to the order of (insert name of person to receive check)" and then sign your name underneath. The person receiving the check must also sign before the check can be cashed. This check can now only be cashed by the specified person.



A rectangular box with a wavy bottom edge containing the handwritten text "Pay to the order of Denise Tabet" followed by the signature "James C. Morrison".

3. Restrictive Endorsement

This kind of endorsement tells precisely what will happen to the check. It means that the check cannot be further negotiated. It is usually seen on checks sent by mail or by messenger for deposit. In these cases, the words "For Deposit Only" are written first, with the signature below. The check can only be cashed under the conditions you have specified.



A rectangular box with a wavy bottom edge containing the handwritten text "For deposit only" followed by the signature "James C. Morrison".

Some hints regarding endorsements

1. Do not endorse a check until it is to be cashed, deposited in a financial institution, turned over to a person, business or firm, or organization, or sent in the mail for deposit.
2. Endorse in ink only with a rubber stamp endorsement giving your name and special number furnished by the financial institution. This will prevent someone from erasing and reendorsing the check.
3. If, on the face of the check, your name is misspelled or is not complete, endorse the check in the way your name appears. Then, below this, endorse by using your official signature. This will establish your identity as the person for whom the check is meant.
4. Cash or deposit a check as soon as possible. After six months, a check is considered "stale-dated" and a financial institution may refuse to cash it. If a check is over six years old, it cannot be cashed. Exceptions to this are U.S. Government checks and some Cashier's checks. If you have a "stale-dated" check, ask that a current check be issued in its place.
5. A financial institution or a department store fee (or other places that cash checks) may charge a small fee to cash a check drawn on a financial institution outside your community. This fee is used to help cover costs of clerical work involved.

How to balance your statement

Once every month, your financial institution will send your canceled checks to you with a statement that will tell you the amount in your account at the time that statement was prepared. This is sent to you so that you can compare the amount presently in your checking account with the amount you've written in your check register.

It is your responsibility to keep your records in order. If you do, you will have a much better idea of how much money you have left in your account. Be sure to subtract from your balance the amount of any checks that you write or any service charges you may incur. Also, add any amount that you deposit to your account.

1. Sort canceled checks into numerical order. Sort deposit tickets into numerical order.

2. Compare each canceled check and deposit ticket with your check register and check it off. Any checks which are not checked off haven't been paid by your financial institution. They are called "outstanding checks."
3. Subtract any charges for checks, services or automatic withdrawals, such as car payments, from your checkbook balance. This is your correct checkbook balance.

Sometimes your statement balance will not be the same as your checkbook balance. When this happens, you will need to reconcile your account. To do this, you need to:

1. Insert the last balance shown on your statement.
2. Add any deposits not yet added to your account.
3. Subtract any checks written and not yet charged to your account.
4. This is your adjusted balance that should agree with your checkbook balance.

Balance shown on your statement	(1)	\$ _____
Add + (Deposits not yet added to your account)	(2)	\$ _____
Total		\$ _____
Subtract — (Checks that have not yet been paid)	(3)	\$ _____
ADJUSTED STATEMENT BALANCE	(4)	\$ _____


What to do if your adjusted balance does not agree with your checkbook register:

1. Recheck the addition, subtraction and corrections made in your checkbook register and on your reconciliation form.
2. Verify the carryover balance from page to page in your checkbook register.
3. Be sure you have deducted any service charge made by the financial institution from your checkbook register.

4. Verify the magnetically printed amount of the canceled check located on the bottom right hand corner with the amount listed in your checkbook register.

Because of the cost, some financial institutions do not return canceled checks to customers. Instead, the statement simply lists the checks. If your financial institution follows this procedure, you most likely use checks that have carbon copies. Use the copies of the checks you have written to ensure that all checks have been listed on your statement.

Sample Statement


ABBOTSFORD STATE BANK
FDIC

124-356	15	4/23/03 5/21/03	PAGE 1
ACCOUNT NUMBER	ITEMS ENCLOSED	STATEMENT PERIOD	

James C. or Mary A. Morrison
1765 Sheridan Drive
Your City, State 12345

STATEMENT PERIOD	NUMBER OF STATEMENTS	WE HAVE ADDED: DEPOSITS CREDITS	NUMBER OF CHECKS	WE HAVE DEDUCTED: CHECKS DEBITS	NUMBER OF DEBITS	STATEMENT PERIOD
2141.28	4	4075.51	13	3584.29	.00	2632.50

TYPE OF ACCOUNT. . .PER MMD CHECKING

DATE	AMOUNT	DESCRIPTION
04/27	83.00	DDA REGULAR DEPOSIT
05/01	3,500.00	DDA REGULAR DEPOSIT
05/02	474.00	SOCIAL SECURITY
05/21	18.51	INTEREST EARNED

CHECKS

DATE	CHECK NO.	AMOUNT	DATE	CHECK NO.	AMOUNT
04/24		34.65	05/10	DM	7.49
04/26	* 382	227.63	04/25	383	100.00
05/01	384	7.00	05/02	385	70.25
05/04	* 387	2046.39	05/04	388	270.52
05/09	389	143.05	05/08	390	100.00
05/16	391	43.76	05/14	392	33.55
05/16	393	500.00			

* DENOTES MISSING CHECK NUMBER

DAILY BALANCE INFORMATION

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
04/23	2141.28	04/24	2106.63	04/25	2006.63
04/26	1779.00	04/27	1862.00	05/01	5355.00
05/02	5758.75	05/04	3441.84	05/08	3341.84
05/09	3198.79	05/10	3191.30	05/14	3157.75
05/16	2613.99	05/21	2632.50		

OTHER BANKING SERVICES

-----INTEREST RATE CHANGES-----

INTEREST RATE	DATE CHANGED
7.650	4/24/03
7.900	5/08/03
8.000	5/15/03

Applying for a loan

When applying for a loan, you will have to fill out a form that tells the lender about yourself and your financial circumstances. Forms vary from company to company, but the basic information you must supply will be essentially the same. For an application, you will have to see the loan officer in your bank.

Activity 5

Fill out the form on the next two pages using the following information:

- ✓ You want to buy a \$5,200 car and will finance it through your bank with a down payment of \$800.
- ✓ You have not borrowed previously from the Capital Bank, but you maintain a savings and a checking account there.
- ✓ Your birth date is 1/1/64 and you have been an agent in your city for Bentford Insurance Company, 5 Main Street, for three years.
- ✓ Your net income is \$12,000 per year. It is your first job.
- ✓ Your spouse has been the office manager for the same company for two years, has a net salary of \$11,040 per year and was born 3/17/65.
- ✓ Your spouse will be a co-borrower on the loan.
- ✓ You are renting an apartment from Town Homes, Inc., and have lived there two years.
- ✓ Your rent is \$350 per month. You previously lived with your parents. You presently own a three year-old Ford Taurus automobile which you bought through Home Town National Bank.
- ✓ Your debts include \$300 to Appliances Outlets (original amount was \$520), \$250 to Doctors Hospital (original amount \$870).
- ✓ You make monthly payments of \$40 to each of these creditors.

This type of credit transaction is referred to as a Closed-End Credit Account. It will begin and end at specific times.

CREDIT APPLICATION

Bank

Date of Application _____
IMPORTANT: Read these Directions before completing this Application.

- Check If you are applying for individual credit in your own name and are relying on your own income or assets and not the income or assets of another person as the basis for repayment of the credit requested, complete Sections A and D, omitting B and C. If the requested credit is to be secured, also complete the first part of Section C as relates to applicant.
- Appropriate If this is an application for joint credit with another person complete all Sections, providing information in B about the joint applicant.
- Box If you are applying for individual credit, but are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as the basis for repayment of the credit requested, complete all Sections to the extent possible, providing information in B about the person on whose alimony, support or maintenance payments or income or assets you are relying.

Amount Requested _____ Payment Date Desired _____ Proceeds of Credit _____
 \$ _____ To be Used For _____

SECTION A — INFORMATION REGARDING APPLICANT

Full Name (Last, First, Middle): _____ Birthdate: ____/____/____
 Present Street Address: _____ Years there: _____
 City: _____ State: _____ Zip: _____ Telephone: _____
 Social Security No. _____ Driver's License No.: _____
 Previous Street Address: _____ Years there: _____
 City: _____ State: _____ Zip: _____
 Present Employer: _____ Years there: _____ Telephone: _____
 Position or title: _____ Name of Supervisor: _____
 Employer's Address: _____
 Previous Employer: (if less than three years) _____ Years there: _____
 Previous Employer's Address: _____
 Present net salary or commission: \$ _____ per _____ No. Dependents: _____ Ages: _____

Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

Alimony, child support, separate maintenance received under: court order written agreement oral understanding

Other income: \$ _____ per _____ Source(s) of other income: _____

Is any income listed in this Section likely to be reduced before the credit requested is paid off?
 Yes (Explain in detail on a separate sheet.) No

Have you ever received credit from us? _____ When? _____ Office: _____
 Checking Account No. _____ Institution and Branch: _____
 Savings Account No. _____ Institution and Branch: _____
 Name of nearest relative not living with you: _____ Telephone: _____
 Relationship: _____ Address: _____

SECTION B — INFORMATION REGARDING JOINT APPLICANT OR OTHER PARTY (Use separate sheets if necessary.)

Full Name (Last, First, Middle): _____ Birthdate: ____/____/____
 Relationship to Applicant (if any): _____
 Present Street Address: _____ Years there: _____
 City: _____ State: _____ Zip: _____ Telephone: _____
 Social Security No. _____ Driver's License No.: _____
 Present Employer: _____ Years there: _____ Telephone: _____
 Position or title: _____ Name of Supervisor: _____
 Employer's Address: _____
 Previous Employer: (if less than three years) _____ Years there: _____
 Previous Employer's Address: _____
 Present net salary or commission: \$ _____ per _____ No. Dependents: _____ Ages: _____

Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

Alimony, child support, separate maintenance received under: court order written agreement oral understanding

Other income: \$ _____ per _____ Source(s) of other income: _____

Is any income listed in this Section likely to be reduced before the credit requested is paid off?

Yes (Explain in detail on a separate sheet.) No

Checking Account No. _____ Institution and Branch: _____

Savings Account No. _____ Institution and Branch: _____

Name of nearest relative not living with Joint Applicant or Other Party: _____

Relationship: _____ Address _____

SECTION C — MARITAL STATUS (Do not complete if this is an application for individual unsecured credit.)

Applicant: Married Separated Unmarried (including single, divorced, and widowed)

Other Party: Married Separated Unmarried (including single, divorced, and widowed)

SECTION D — ASSET AND DEBT INFORMATION (If Section B has been completed, this Section should be completed giving information about both the Applicant and Joint Applicant or Other Person. Please mark Applicant-related information with an "A." If Section B was not completed, only give information about the Applicant in this Section.)

ASSETS OWNED (Use separate sheet if necessary.)

Description of Assets	Value	Subject to Debt	Name(s) of Owner(s)
Cash			
Automobiles (Make, Model, Year)			
Cash Value of Life Insurance (Issuer, Face Value)			
Real Estate (Location, Date Acquired)			
Marketable Securities (Issuer, Type, No. of Shares)			
Other (List)			
Total Assets			

OUTSTANDING DEBTS (Include charge accounts, installment contracts, credit cards, rent, mortgages, etc. Use separate sheet if necessary.)

Creditor	Type of Debt or Acct. No.	Name in Which Acct. Carried	Original Debt	Present Balance	Monthly Payment	Past Due? Yes No
1. (Landlord or Mortgage Holder)	<input type="checkbox"/> Rent <input type="checkbox"/> Mortgage					
2.						
3.						
Total Debts						

(Credit References)

Date Paid

1. _____
2. _____

Are you a co-maker, endorser, or guarantor on any loan or contract? Yes No If "yes" for whom? _____ To whom? _____

Are there any unsatisfied judgments against you? Yes No Amount \$ _____ If "yes" to whom owned? _____

Have you been declared bankrupt in the last 14 years? Yes No If "yes" where? _____ Year _____

Other obligations — (e.g., liability to pay alimony, child support, separate maintenance. Use separate sheet if necessary.)

Everything that I have stated in this application is correct to the best of my knowledge. I understand that you will retain this application whether or not it is approved. You are authorized to check my credit and employment history and to answer questions about your credit experience with me.

Applicant's Signature

Date

Other Signature (Where Applicable)

Date

MODULE 27: STANDARDS ADDRESSED IN THIS MODULE**Pennsylvania's Academic Standards for Career Education and Work****13.3.11. Career Retention (Keeping a Job)**

D. Compare and contrast gross and net pay.

From 13.3.8...Analyze personal budgets.

- *Expenses*
- *Income*
- *Investing*
- *Needs*
- *Savings*
- *Taxes*
- *Wants*

Pennsylvania's Academic Standards for Reading, Writing, Speaking and Listening (RWSL)**1.1.11. Learning to Read Independently**

E. Establish a reading vocabulary by identifying and correctly using new words acquired through the study of their relationships to other words. Use a dictionary or related reference.

Secretary's Commission on Achieving Necessary Skills (SCANS)**COMPETENCIES**

Resources: Identifies, organizes, plans, and allocates resources, including time and personal money.