

<u>Accounts</u>	Pay bills	Penalty for early withdrawal	Take money out instantly	FDIC Insured
checking	Y	No	Y	Y
savings	N	No	Y	Y
money market	very limited	No	Y	No
CD (certificate of deposit)	N	Yes	N	Yes
Prepaid Debit card	Y	No	Y	No

Checking - A bank account

- ① Pay bills
- ② No interest or less than savings accounts.
- ③ FDIC insured. (federal government)
- ④ Withdrawals anytime, no penalty.
- ⑤ Lots of different fees

Savings account - A bank account

- ① Cannot pay bills.
- ② Higher interest rate than checking
- ③ FDIC insured
- ④ Withdrawals anytime, no penalty
- ⑤ Lots of different fees

CD - certificate of Deposit
(A bank account)

- ① Earns higher interest than checking or savings
- ② Bank holds your money for a period of time.
- ③ Penalty for early withdrawal.
- ④ FDIC insured

(Money market
mutual fund (money
market))

Not a bank
account

- ① Not insured, but buys very safe investments.
- ② Offered by investment companies - Vanguard, Charles Schwab
(not bank)
- ③ Allowed a few withdrawals per month.
- ④ Like a savings account.

Prepaid debit Card

Not a
bank account

- ① May not be FDIC insured.
so you could lose all your money.
- ② Can pay bills
- ③ Acts like a checking account
- ④ Can have very high and numerous fees, but that is changing.
- ⑤ Withdrawals without any penalty

If the company fails (bankrupt)

① Banks - you are protected by FDIC insurance. You will get back 100% of your money up to \$250k

② Money market mutual funds are not insured, but have very safe investments.

You might not get back 100% of your money
This happened one time.

Prepaid debit card

Does not have to be insured.
You could lose all of your
money.

Fraud

① credit card - you are liable up to \$50.

② Prepaid debit cards

Issuer does not have to protect you. You could lose all your money.

Fraud

① credit card - you are liable up to \$50.

② Prepaid debit cards

Issuer does not have to protect you. You could lose all your money.

③ ATM or debit cards ← Bank	
Report it	Your maximum liability
Before any charges	\$ 0
within 2 days of discovering it was lost/stolen	\$ 50

<u>Report it</u>	<u>Your maximum liability</u>
More than 2 days, but less than 60 days after you discover loss/theft	\$500
More than 60 days	all the money taken