



STUDENT ADVOCATES FOR FINANCIAL EDUCATION

ON-LINE BILL PAYING

On-line bill paying is a service that allows a person to set up their monthly payments to be paid automatically and electronically from a bank account. Many people have started to pay more, as well as receive more bills, on-line. Some advantages include:



- **Convenience:** Bills can be paid whenever, 24/7. You can use on-line banking when you are out of state or even out of the country.
- **Savings:** You can save time and money by paying bills on-line. Reduce costs on stamps, late fees, and minimize interest fees. Calculate savings at <http://www.ebillplace.com/cda/ebillplace/calculator.html>
- **Efficiency:** You can schedule any bill to be paid, view your payment history, receive e-mail reminders to pay e-bills, access and manage all bank accounts in one location on the internet.
- **Effectiveness:** You are given a guarantee that your bills will be received on time. You also have the capability to download your data into Quicken® or Microsoft Money®.

FREQUENTLY ASKED QUESTIONS

Q: What bills can be paid on-line?

A: You can pay all of your bills. You can pay everyone from the energy company to a neighbor. The bank can also put a check in the mail for bills that cannot be paid electronically.

Q: Is it safe to pay my bills on-line?

A: Secure web sites require a username and a strong password to be created in order to access accounts. They should always be kept secret. To ensure a secure link look for the padlock icon on your browser window. Beware of on-line scams called phishing. Crooks send out false e-mails that look like they are from your bank. These e-mails will ask for personal information. Do not use links received by e-mail and do not use the phone number supplied in the e-mail. Contact your bank using legitimate information.

Q: Is there a fee to use on-line bill paying?

A: Fees for this service are linked to the type of checking account you use and bank policies. Some banks require a small fee, while others are free.

Q: How do I begin paying my bills on-line?

A: It's easy! There are many banks and web sites that provide this service. First, you create a user ID and password with the provider. Then choose the bills you want to receive and pay from the on-line bill list. Finally, confirm your identity and account information for each bill you have selected and start enjoying the convenience of paying your bills postage and hassle free.



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DEBIT CARDS

When you open a bank account, most often you will also receive a **Debit Card**. It allows you to purchase items without cash or the possibility of accruing interest. Some debit cards use a personal identification number (PIN) while some require only a signature. When an item is purchased the money is removed directly from your bank account.

The primary advantage of a debit card is convenience, but what are the disadvantages?



- **Liability:** If your card is stolen and used you are liable for only \$50 if the bank is notified within 2 days; \$500 if the bank is notified after 2 days. If you wait longer than 60 days to notify the bank you could be liable for all unauthorized charges.
- **Fees:** Some banks charge fees for the usage of debit cards. There could be a monthly fee, a fee for each transaction, or a fee if you use a PIN instead of a signature for purchase.
- **Returns:** It may be more difficult getting a refund on purchases bought with a debit card. Debit cards are treated like cash, so you may only receive store credit. With a credit card you can withhold payment when you are not satisfied with an item (Fair Credit Billing Act).
- **Overdraft:** It is easy to overdraw your account with a debit card. Debit cards work even if there is no money in your account.
- **Blocking:** Hotels, gas stations, and car rental agencies sometimes withhold an amount on a debit card until the transaction has been processed. Funds are unavailable until the card is unblocked. It is possible for consumers to overdraw their accounts when not aware of a blocked amount.

2 TYPES OF DEBIT CARDS

Direct Debit Cards versus Deferred Debit Cards

- Direct Debit Card: requires a PIN and money is taken directly from your bank account
- Deferred Debit Card: requires a signature and has a Visa or MasterCard logo. This type of card is accepted wherever Visa or MasterCard is accepted. Funds are taken out of your account within 2 or 3 days.
- Debit cards can also have both features, those of a direct debit or a deferred debit card.

PIN versus Signature

- Direct Debit Cards have better protection for the consumer
- With Direct Debit Cards you have to know the PIN in order to make a purchase
- If your wallet was stolen you have added protection because the thief does not know your PIN
- With a Deferred Debit Card anyone could use your card and sign your name

