Dictionary of Banking Terms

Account Verification: Before opening an account, most banks will review your history of using checking accounts through companies such as TeleCheck or ChexSystems. If you have a history of bouncing checks or misusing your accounts, financial institutions may not open an account for you.

Automated Teller Machine (ATM): This is a computer where you can deposit, withdraw, or transfer money from one account to another 24 hours a day. Use of an ATM requires a card issued by the bank and a personal identification number (PIN).

Balance: Balance is the amount of money you have in your bank account.

Bank: A bank is a business that offers you a place to keep your money and uses it to make more money.

Branch Manager: A branch manager is the person who supervises the bank operations and helps fix problems that cannot be solved by other bank workers.

Checking Account: A checking account is an account that lets you write checks to pay bills or to buy goods. The financial institution takes the money from your account and pays it to the person named on the check.

Credit Union: A nonprofit financial institution owned by people who have something in common. You have to become a member of the credit union to keep your money there.

Debit Card: A debit card is a plastic card sometimes called a "Check Card." The debit card has a MasterCard or Visa logo and a magnetic strip on the back that allows you to pay for goods and services at stores and businesses. When you use a debit card, the money comes out of your bank account immediately.

Deposit Products: Deposit products are bank accounts that allow you to add money to the account. Checking and savings accounts are two examples of deposit products.

Deposit: A deposit is money you add to your account.

Direct Deposit: Direct deposit is one method your employer or a government agency might choose to give you your paycheck or benefit check. With direct deposit, your checks are electronically transferred into your account.

Fees: Financial institutions charge different fees for different services. For example, a monthly maintenance fee, a penalty fee, or an ATM fee.

Interest: Interest is the extra money in your account that the bank pays you for keeping your money.

Loan Officer: The loan officer is the person who takes applications for loans offered at the bank.

Loans: A loan is money you borrow from a bank with a written promise to pay it back later. Banks charge you fees and interest.

Money Order: A money order is similar to a check. It is used to pay bills or make purchases in cases where cash is not accepted.

Savings Account: A savings account is an account that earns interest.

Telephone Banking: A bank service which allows you to: check account balances, transfer money, obtain account history, stop payment on a check, report a lost or stolen card, over the telephone.

Teller: The teller is the person behind the bank counter who takes money, answers questions, cashes checks, or refers you to the person who can help you.

Thrift: A thrift is a savings bank or savings and loan association that is similar to a bank. Thrifts were developed to promote homeownership and must have a majority of their assets in hosing-related loans.

Wire Transfer: A wire transfer is a method of electronically transferring money from one bank to another

Withdrawal: A withdrawal is the process of taking money from your bank account. You do this by writing a check, using an ATM, or by giving a teller a withdrawal slip.