

Overdraft Education

Practice & Reference Materials





This booklet is designed for use with the First Financial Bank "Overdraft Education" video. Any unauthorized use is prohibited by applicable laws.

Thank you for your willingness to learn more about avoiding overdraft charges and how to better use the tools First Financial Bank offers you. First Financial is glad to be your partner as you manage your money.

This short workshop is designed to help you understand your checking account and minimize fees. In less than an hour, you will learn how to balance your account register, how to reconcile your register to your bank statement, and how to check your account balance at any time. Along the way, you will learn how to avoid overdraft fees by practicing careful money management. You might even have a little bit of fun today!

When you learn something new, you are sure to want more. The first few pages of this booklet provide some additional information to what the "Overdraft Education" video will show you and give you some reminders of the information the video does show you. Page 3 gives descriptions of the tools you will learn about today. Page 4 shows you what things are important to record in your account register. Page 5 compares the differences between debit cards and credit cards. Page 6 compares some of the different options you have available as Overdraft Privileges. Page 7 is a useful glossary of common banking terms that you will run into as you manage your account.

The remaining pages in this booklet can be separated from the rest of the booklet. They will be used at specific points in the video. Your workshop facilitator will help you work through these activities at the appropriate times.

Of course, if you have any questions after the video, you can ask your facilitator. If you have questions after the workshop has ended, write them down and visit with any of the friendly personal bankers at your nearest First Financial Bank branch. They will be glad to help you.

Thanks again for partnering with First Financial Bank as
you manage your money!



Toolbox: Tools for Checking Your Balance

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First Financial Bank offers you a number of tools with which you can check your balance.



Account Register: In your register, you record each transaction you make, whether you are spending money or depositing it. When you spend money, you subtract that amount from your ongoing balance. When you deposit money, you add it to your ongoing balance. It just takes a second, and it helps you know exactly how much money you have in your account available to spend.



First Financial Website: This secure, easy to navigate site allows you to see your current account balance, what transactions have posted, pending debit transactions, and any fees that might have posted. You can even use the website to transfer money from a savings account or another checking account. The website balance does not include any checks you have written that the vendor has not yet deposited, but it does give an accurate record of how much money is currently available in your account.

Go to www.ffbtexas.com to find out how to sign up.

Mobile Banking Website: If you have a smart phone, you can access your account through the mobile banking website. Here you can check your account balances, transfer money from one account to another, and see any messages. It has many of the same functions as the regular website, all on your smart phone. This way you can check your account balance anywhere you are, as long as you have a cell signal.



First Voice Banking: You can even call a toll free number to check your account balance from any phone. With First Voice telephone banking, just enter your PIN, follow the prompts to check your account balance, transfer money, or check recent transactions.

Friendly Bank Tellers: Or, you can just stop by your closest First Financial Bank and any teller will be happy to check your account balance for you free of charge. Show your identification and our friendly tellers are always ready to assist you with a smile.





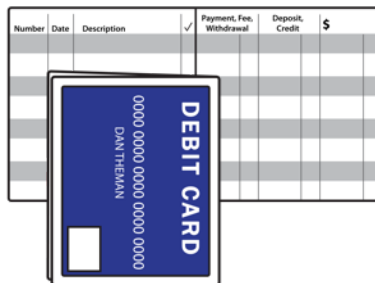
How Do I Keep an Accurate Record of my Account Balance?

1. Record all deposits and withdrawals in your account register.
2. Keep your balance current by subtracting withdrawals and adding deposits.
3. Review monthly checking account statements.
4. Resolve the differences between your account register and monthly checking account statements using a reconciliation form.

What Should I Record in my Account Register?

- Purchases (grocery store, mall, gas station)
- Checks you write
- Deposits and withdrawals
- Maintenance fees, interest, and other bank charges
- Electronic banking transactions (pay bills online, paycheck direct deposit)
- ATM transactions (deposits or withdrawals)

There are two types of account registers available for your use. You can choose a Check Card Register that can hold your debit card on the outside and is smaller in size to fit in your wallet, or you can choose a Check Register, that can fit inside your checkbook. Both types of registers help you keep track of your account balance by giving you a place to record your transactions—just choose the size of register you are more likely to keep with you and use regularly.





Differences Between Debit & Credit Cards

	Debit Card	Credit Card
When do I pay?	Buy now, pay now.	Buy now, pay later.
Whose money am I spending?	You are spending your own money from your checking account.	You are borrowing a bank's money to pay back to the bank later.
Will I be charged interest?	There are no interest charges because it is your money.	You will be charged interest if you do not pay off your balance, or if your credit card company does not offer a grace period (time to pay off your balance without accumulating interest charges).
Are there any fees?	<p>You may be charged fees on certain transactions (for example: withdrawing money from your account at an ATM without your bank's name).</p> <p>Overdraft fees are usually larger than other fees because it is such a specialized service.</p>	<p>Fees and penalties will be charged if your payments are not on time.</p> <p>Some credit cards charge yearly fees.</p> <p>If your credit card company does not offer a grace period, you may be charged certain fees for your unpaid balance.</p>
Other Possible Benefits	<p>Using a debit card is faster and easier than writing a check.</p> <p>A debit card can be replaced, but lost cash cannot be replaced.</p> <p>Some debit card companies may offer free items or rebates (returned money).</p> <p>With enough money in your account, you can pay for purchases without borrowing money or being charged interest.</p>	<p>Some credit card companies offer free items (for example: cash rebates, or bonus points)</p> <p>You can withhold payment (not pay) on charges under question.</p> <p>Some credit card companies offer protection plans for defective items.</p> <p>Your credit score may go up and you may qualify for lower interest rates on loans if you manage your credit card well (for example: paying your bill on time every time).</p>
Other Possible Concerns	<p>Usually, no protection plans are offered for defective items purchased.</p> <p>If you do not have enough money in your account, you will need another way to pay for unexpected emergencies (for example: a car repair).</p>	<p>You may over-spend because the credit limit may be higher than you can afford to pay back.</p> <p>You will pay interest if you do not pay your entire balance each month, or if your credit card company does not offer a grace period. Interest is expensive if you only pay the minimum amount due each month.</p>



	First Reserve- Line of Credit or Linked Account	Per-Item Overdraft Privilege
How do I sign up?	Talk to your personal banker to establish a First Reserve service.	You may “opt-in,” or choose to be in this program, if you qualify. Talk to a personal banker to find out for sure.
Does the program cover ATM and POS debit card uses?	Usually, yes, but be sure to check your account guidelines.	You need to “opt-in,” or choose to be in this program for coverage.
Are there any fees?	<p>There may be a small transfer fee for linked savings.</p> <p>Interest and other potential fees will be charged for overdraft lines of credit.</p> <p>If you use a debit card, there will be fees for cash advances, plus interest at the cash advance rate.</p>	<p>A per-item overdraft fee will be charged if the bank honors the transaction.</p> <p>An NSF (non-sufficient funds) fee will be charged if the bank does not honor the transaction.</p> <p>There may be daily fees for each day your account has a negative balance.</p> <p>Interest may be charged.</p>
Do I need to have another account with the bank?	You need a savings or checking account, or a line of credit that can cover any overdrafts.	No, you do not need another account to use Overdraft Privilege.
Does the bank have to pay for overdraft items?	Yes, if you have enough money in your savings account, or enough money available under your line of credit.	No, the bank does not have to pay for an overdraft, so the bank may or may not decide to approve an overdraft item.
Potential Benefits	<p>Linking to a savings account or credit line may be the least costly way to deal with overdrafts.</p> <p>This program saves you the cost of additional charges from returned checks.</p>	If the bank honors the overdraft item, this service saves you the cost and embarrassment of fees from the purchase site for a bad check.
Potential Risks	Linking to a credit account may result in a never-ending cycle of debt.	Overdraft fees add up quickly.



Glossary: Learning the Language of Banking

Account Register: A small book you can use to write down all of your deposits, withdrawals, and purchases made with your account, including any fees or monthly charges.

Automated Teller Machine (ATM): A computer terminal where you can deposit cash and checks into your account or withdraw cash from your account at any time.

Budget: A list of items you need to spend money for (for example: monthly bills, groceries, and clothing), and approximate amounts of money needed for each item, to be compared with your estimated income for a set amount of time.

Check: A written promise between you and your bank. When you write a check, you are asking the bank to take money from your account and give it to someone else.

Checking Account: A personal, secure place to keep your money at a bank, from which you can write checks to pay bills and buy items. Your bank will send you a monthly statement that lists all the deposits, withdrawals, and purchases you made that month.

Debit Card: A card that allows you to deposit cash into and withdraw money from your checking account at many ATMs, and make purchases at stores that accept credit cards (for example: grocery stores, department stores, or gas stations).

Deposit: A transaction where money is added to your account. This could be when you deposit a check or cash into your account, or when your bank pays you interest.

Deposit Slip: A piece of paper used to let the bank teller know how much and what forms of money you are depositing into your account.

Direct Deposit: An automated, electronic method for transferring and depositing money directly into your account.

Endorsement: The act of signing the back of a check so that you can deposit or cash the check.

Electronic Banking: Using computers to move money to and from your account, instead of using checks and other paper transactions. This includes all debit card transactions, electronic bill pay, and ATM transactions.

Electronic Bill Pay: A service that automatically takes money from your account to pay your bills.

Fee: The amount charged by banks for your account activities and services.

Fee Schedule: A document given by the bank that lists the fees you might be charged for certain account activities.

Interest: A percentage of money paid in exchange for borrowing money.

Overdraft Privilege (ODP): A service from your bank that will help pay for a transaction if your account doesn't have enough money in it to cover the transaction. You don't have to sign a contract for this service, but your account must be qualified to receive this service.

Point of Sale (POS): A transaction where you use your debit card at a store's checkout register to buy your items.

Reconciliation: The act of fixing the difference between your account's monthly statement balance and your account register balance.

Transaction: Any banking activity. For example: depositing or withdrawing money, using an ATM or debit card, or having checks direct-deposited into your account.

Withdrawal: The act of taking money out of your bank account.



Reconciling Your Register with Your Statement

1. Separate pages 8, 9, 10, and 11 from the rest of your packet so you can see them without flipping back and forth.
2. At the top of your reconciliation form (page 11), write down your account balance according to your monthly statement.
3. Look at your account register (page 14) and monthly account statement (pages 9 and 10). Make a checkmark in your account register next to the items that appear on the statement.
4. List and add up the deposits or credits you recorded in



your account register that do not appear on the statement, and add the total to the account balance at the top. Record the new total on the appropriate line.

5. List and add up the withdrawals or debits you recorded in your account register that do not appear on the statement, and subtract the total from the new balance from step 3.

Record the updated balance on the last line of the reconciliation form. This total should match your new account register balance.



Statement for Activity 2, Page 2 of 4



Member FDIC

PO Box 701, Abilene, TX 79604

PLEASE EXAMINE AT ONCE

Check your statement and enclosures, and report any discrepancies within thirty (30) days. Please direct any phone inquiries regarding your accounts to (325) 627-7200. Written inquiries should be sent to the address listed, attention: Research.

*****AUTO**5-DIGIT 79609

Date 9/05/11

Page 1

Primary Account

1234567891

Enclosures

Dan Theman
1234 Faraway Place
Abilene, TX 79609

----- S U M M A R Y O F A C C O U N T S -----

Account Number	Account Description	Current Balance	Enclosures
1234567891	Free Checking	450.00	
2345678910	Savings	1003.67	

----- C H E C K I N G A C C O U N T -----

Account Title: Dan Theman

Free Checking		Item Truncation
Account Number	1234567891	Statement Dates 8/5/11 thru 9/5/11
Previous Balance	200.00	Days in the statement period 31
Deposits/Credits	500.00	
Checks/Debits	245.00	
Monthly Maintain Fee	5.00	
Interest Pd This Stmt	.00	
Ending Balance	450.00	

----- M I S C E L L A N E O U S C R E D I T S -----

Date	Description	Amount
8/27	Deposit	500.00

----- M I S C E L L A N E O U S D E B I T S -----

Date	Description	Amount
8/16	AUTO PAY REF# 121000019520 CAR LOANS R US	145.00-



Statement for Activity 2, Page 3 of 4



PO Box 701, Abilene, TX 79604

Member FDIC

PLEASE EXAMINE AT ONCE

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Dan Theman
1234 Faraway Place
Abilene, TX 79609

Date 9/05/11
Primary Account
Enclosures

Page 2
1234567891

----- MISCELLANEOUS DEBITS -----

Date	Description	Amount
8/29	GAS STATION REF# 1233429 1345 Downtown Boulevard 4101180105023 11082 01333	52.00-
8/29	CRAZY DAVE'S PIZZA & SUBS 4101180105023600 110826 121749	6.00-
9/02	STOREMART CK 802	42.00-
9/04	MONTHLY ACCOUNT MAINTENANCE FEE	5.00-

----- CHECKS IN SERIAL NUMBER ORDER -----

Date	Check No	Amount	Date	Check No	Amount
8/08	802	42.00			

* Missing Serial Number

----- DAILY ENDING BALANCE -----

Date	Balance	Date	Balance
8/05	200.00	9/02	455.00
8/16	55.00	9/04	450.00
8/27	555.00		
8/29	503.00		
9/01	497.00		

Account Title: Dan Theman



StoreMART

StoreMART - ABILENE TEXAS
Aug. 31, 2011

578348390 BOTTLED WATER	\$3.56
579738487 COFFEE	\$7.82
734874839 DIAPERS	\$23.99
738902057 BABY WIPES	\$3.83
Subtotal.....	\$39.20
Tax.....	\$2.80
Total.....	\$42.00
PAID CHECK.....	\$42.00
CHANGE.....	\$0.00

Gas Station

WELCOME

800000000038385-040388
GAS STATION SERVICES
1234 LOOP 227
ABILENE, TX 79999
8-28-11
CREDIT CARD
CC AUTH#2383838
/DAN/T/KDK
SEQ# 00505 EXP**/**

BATCH #87

PUMP # 04
PRODUCT: UNLD
VOLUME: 15.186G
PRICE: \$3.49
FUEL SALE: \$52.00

THANK YOU! HAVE

Win a \$100 Gift Card!

StoreMART
\$100

\$6.00 debit at Crazy Dave's for LUNCH!

forgot receipt 8/29

RICO

RICO CLOTHING COMPANY
9/6/11

RICO DRESS SHIRT\$24.97
RICO SOCKS\$11.83
RICO PANTALONES\$24.97
DISCOUNT 20%\$19.97

SUBTOTAL \$56.77
RICO GIFT CARD \$10.00
SUBTOTAL \$46.77
TAX \$3.23
TOTAL \$50.00

DEBIT XXXX XXXX XXXX XX27
ACCEPTED! THANK YOU!

GET REAL. GET RICO.



RECEIPT DRAWER: 5678 8/27/11
TRANS#: 31 16:32:64
DDA Deposit *****7890

\$500.00

Thank you for banking with us!

FOR DEMONSTRATION PURPOSES ONLY

