

BANK & BANKING SERVICES FOR INTERNATIONAL STUDENTS IN USA

It is unwise to carry large amounts of cash with you or to keep it at your residence. Instead, deposit it in a bank.

CHECKING ACCOUNTS

There are several different kinds of checking accounts but the most common for students is the “Basic Checking Account.” This kind of account usually does not require a minimum balance and does not have a monthly service charge. Some banks might offer Student Checking Accounts, which include similar services as the Basic Checking Account. Most of the banks in your city might offer this kind of account to students and offer a “debit card” connected to the account that permits students to withdraw cash with no service charge from local ATM’s owned by that bank. Similar to credit cards, a debit card can be used for direct purchases at stores and restaurants as well as for online purchases and payments. You are often not required to present a Social Security Number to open a basic checking account like this, but you may be asked for the SSN for some other types of accounts.

Checking accounts also give students the option of ordering paper checks that can be used to pay bills or make purchases. While more and more students now use only their debit card with their checking account, students can request paper checks to be sent to them for a small charge. Students who have a very large amount of money to deposit and who would like to earn interest on this amount should ask their bank about a checking with interest account or about a separate savings account which can be connected directly to a student’s bank account. For more information about checking accounts visit the websites of local banks or visit one of their locations to ask questions.

Payments for regular monthly bills, such as utilities like electricity, cell phones, or cable, can be arranged electronically where you can request the companies to directly charge your bank account each month. You do want to be sure you are regularly checking your bank account to ensure there are no incorrect charges applied.

LOANS

In most cases, international students and scholars are not able to take out a direct loan from a financial institution without having a co-signer from the U.S. agree to be responsible for the loan. Contact your financial institution to ask about the policy and process.

CREDIT CARDS AND CREDIT HISTORY

Unlike the debit card that comes with a basic checking account, international students who wish to apply for a credit card will almost always be required to show a Social Security Number. The SSN is available only to students who are employed, such as through on-campus employment. This means international students who are not working and therefore not eligible to get the SSN will not be able to apply for credit cards.

Students also need to have what is called a credit history in order to have a better chance at getting a credit card. Sometimes students can first obtain a secured credit card, which is based on a specific amount that you deposit ahead of time. In order to build a good credit history and get a good credit score you must be sure to pay your bills on time, including rent, utilities, your college Bill, and credit card bills. Do not overdraw your checking account (this means pay out more than what you have in the checking account, creating a negative balance). Late or missed payments, having too many credit cards with large balances, or overdrawing on your checking account can cause negative reports on your credit history.

DIRECT DEPOSIT

Through many employers, including your college if you are employed in the campus, it is possible to have your paycheck deposited directly into your checking or saving account at your bank. There is no charge for direct deposit, which saves the inconvenience of cashing or depositing a check yourself and assures that your money is available to be spent as soon as the employer transfers it.

Source: Ideas, summaries and content: University Programs, April 2021, Iowa, USA.