Housing Santa Barbara Day 2024 Introduction:

Before we get started, we wanted to tell you a little bit about F&M Bank:
We are California's Strongest and have been serving Southern California since 1907.
We have 27 locations to serve you from Santa Barbara to San Clemente.

TODAY'S AGENDA:

1. Introductions
2. Types of Financial Institutions
3. Terminology
4. Types of Accounts
5. How to choose the right bank for you
6. New Home Buyer Guide and financing options
7. Q&A

INTRODUCTIONS

- Your Name
- If you reached your dream savings, what would you use it for?

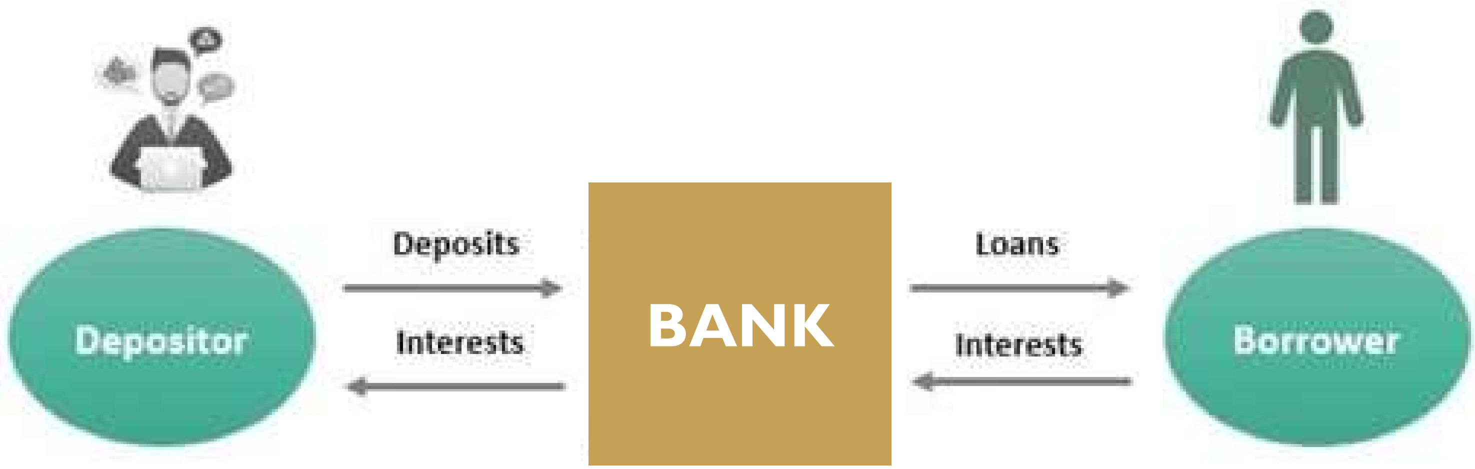
OBJECTIVES

At the end of this presentation you will be able to :

- Identify the different types of banking institutions
- Understand universal banking terms
- Differentiate common bank products
- New Home Buyer Guide and financing options
- Ask questions to help select a bank that fits your needs

HOW DO BANKS WORK?

A **bank** is a financial institution licensed to receive deposits and make loans.



WHY IS IT IMPORTANT TO HAVE ACCESS TO A BANK?

Benefits

- Keep money safe and secure
- Can earn and save more money
- Consumer protections

Features

- Online banking or App product
- Monitor money 24/7
- Offers financing for a home, car or personal loan
- Can help with your business needs
- Can help with financial goals

RETAIL BANKS

F&M BANK

- Popular form of banking
- Refer to clients as "Customers"
- FDIC Insured
- Vary on the types of products offered for consumer and/or business

Each depositor insured to at least $250,000

Backed by the full faith and credit of the United States government

FDIC

Federal Deposit Insurance Corporation-www.fdic.gov

ONLINE BANKS

- Operate primarily or solely online
- Are able to provide more affordable or profitable accounts
- Vary on the types of products offered for consumer and/or business

CREDIT UNIONS

Your savings federally insured to at least $250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

- Refer to clients as "Members"
- Credit Unions are non-profit organizations owned by members
- Offer similar products to retail banks
- NCUA Insured

BANKING TERMS

Deposit	Put money into an account.
Withdrawal	Take money out of an account.
Balance	The amount of money in the account, or the amount owed (credit/loans).

Tiffany got paid today, she should __________ her check into her checking account.

Karen needs cash for the ice cream man, she needs to make a ___________. If she does this, her _______ would go down.

BANKING TERMS

Routing Number	A nine-digit number that identifies a financial institution.
Account Number	A number that identifies a unique account.

Tiffany is setting up automatic bill pay for her gym membership, she needs to find out what F&M Bank's ______________________ is, and what her personal __________________ is.

BANKING TERMS

Annual Percentage Rate (APR)	The annual interest paid to borrow money. The interest rate is applied on the principal (loan amount).
Annual Percentage Yield (APY)	The interest earned from keeping money in an account for one year, including compound interest.

Karen received a credit card offers in the mail with a 27% _______.

A savings account at F&M is earning 0.10% _______ on $200 or more.

BANKING TERMS

Monthly Maintenance Fee	Monthly fee for having account if the client doesn't meet the minimum requirements to waive it them.
Overdraft Fee	Fee charged in the event the account becomes overdrawn (spend more money than is in the account).

The minimum balance to waive the monthly maintenance fee on a checking account is $200 and Tiffany only has $190. Will Tiffany be charged a monthly maintenance fee?

Karen is planning on going to Disneyland and the ticket costs $104. At the time of the purchase, she only has $100. If the bank pays this transaction, will Karen be charged an overdraft fee?

CHECKING ACCOUNTS

Basics

- **Used for day-to-day transactions, deposits, and withdrawals**
- Access money using:
  - debit card
  - online account or App
  - Checks
  - ATMs
- Monthly fee can be waived through certain criteria (i.e. student account or if connected to parent's account)

Pros

- Ideal for direct deposit
- Relatively easy to apply for and receive

Cons

- Overdraft fees are applied if you are opted-in and overcharge

SAVINGS ACCOUNTS

Basics
• **Ideal for long or short-term savings** • Interest-bearing • Access money by visiting your bank, online account, or ATM • Monthly fee can be waived through certain criteria • Limited transaction account

Pros
• INTEREST EARNED • Interest tends to be higher with a HYSA • Less exposure to theft • Can be linked to a checking account for easy transfer

Cons
• Nominal interest rates on some accounts • Transfer limits may apply

CERTIFICATE OF DEPOSIT

Basics
• Good option for long-term goals or for money that can be locked away for a period of time • Vary in minimum deposit needed to open • **Funds need to be locked for agreed upon timeframe** • **Length of time committed may influence the APY offered**

Pros
• **Fixed** APY • APY may be higher as compared to a savings account or HYSA

Cons
• Early withdrawal penalties • Fixed APY can be a con if interest rates change throughout the length of the CD

CREDIT ACCOUNTS

Basics

- Often used for day-to-day transactions or big purchases
- A financial institution loans an amount to be paid back when used
- Credit limit set by institution
- Can be company-specific

Pros

- Helps build credit, if used appropriately
- May offer a rewards program (points, cash back, mileage)
- Unrecognized charges are easier to dispute

Cons

- Could damage credit, if not used responsibly

PEOPLE WITHIN A BANK

Tellers

Banking Relationship Specialists

Branch Managers

Introduction to Residential Lending

Getting Ready to Own Your Home

Buying a home is a process. Start by making sure you're ready to buy and figure out what you can afford.

Steps to Buying a Home

- **Step 1: Get ready**

  Decide if you are ready to buy a home

  Figure out how much you can afford

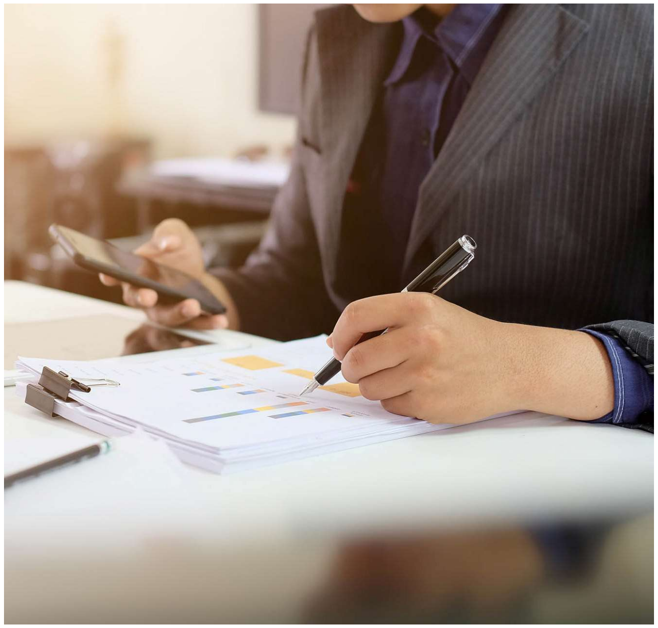
  Check your credit history

- **Step 2: Figure out the financing**

  Learn about mortgages or other financing options

  Shop around

  Get pre-qualified



Steps to Buying a Home

- **Step 3: Shop for your home**

  Put together your team

  Find a home that fits your needs that you can afford

- **Step 4: Buy your home**

  Make an offer

  Negotiate

  Consider getting a home inspection

  Close

- **Step 5: Maintain your home**

HOW SHOULD I CHOOSE A BANK?

When choosing a bank, ask yourself these questions:

- Does the bank offer the services or products I need?
- What are the fees or costs associated with these products? How does it compare to others?
- Does the bank pay clients a competitive interest rate?
- Is the bank in a convenient location and are its business hours convenient?
- Does the bank provide courteous and efficient services?
- Does the bank have a mobile app or online platform available?
- Will my deposits be insured?
- Is the bank a good corporate citizen? Does it invest in my neighborhood?

Before you open an account, ask a few people if they are happy with their bank and do some comparison shopping!

QUESTIONS?

F&M BANK

THANK YOU!