

Better Money Habits®

Managing Your Money

For those new or returning to the U.S.



SPEAKER NOTES

Welcome to Better Money Habits for folks who are new to the country or just settling back in.

I'm [insert name], and I work at [insert organization].

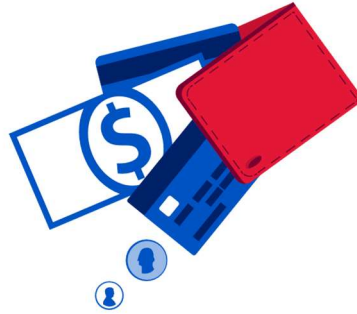
Today, I'm happy to present information to help on your financial journey.

Introduction

Better Money Habits[®]

Whether you're new to the United States or are returning, it's important to build a financial foundation. Navigating a new system can be overwhelming, but we're here to help.

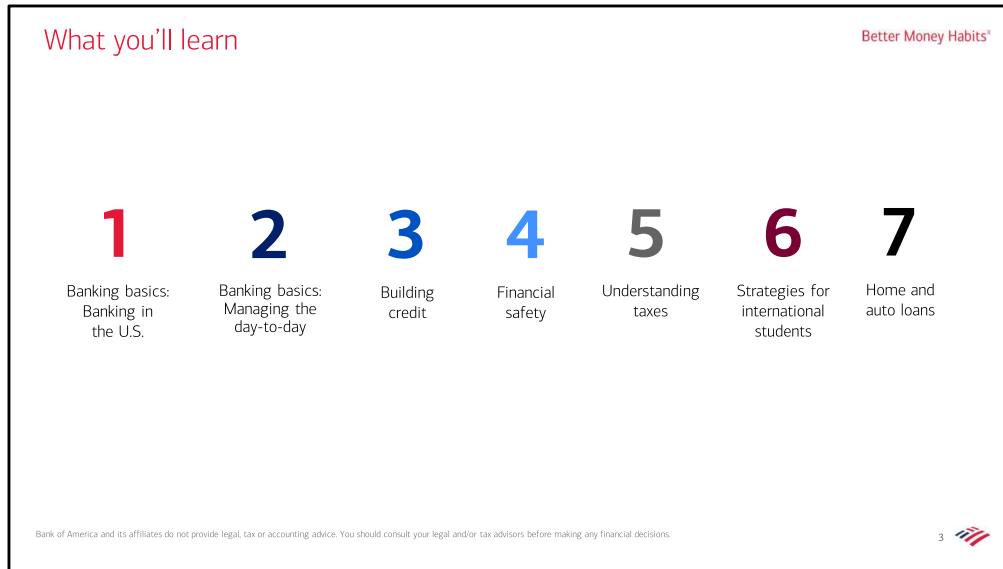
- New residents
- International students or work program
- Returning residents



2 

For those who are new or returning to business or school in the country, it's not uncommon for people to underuse banks and all the tools available because they mistrust them. But using cash for all your purchases is not the best solution for many reasons. First of all, you'll be an easier target of theft and you'll have no way to recover the lost funds. Plus, your money won't be working very hard for you.

So, I'm here to start with the basics and then provide you the detailed information to help you throughout your financial journey to make it a little easier.



Today, we'll be covering:

- Banking basics: Banking in the U.S.
- Banking basics: Managing the day-to-day
- Building credit
- Financial safety
- Understanding taxes
- Strategies for international students
- And home and auto loans

In each section, I'll share some key steps for addressing any challenges and provide tips to help make it more clear.

Before we get started, does anyone have any questions?

NOTE TO PRESENTER

Quickly highlight the seven topics that will be covered.

Ask if they have any questions before starting.

NOTE: If you don't have much time (say 30 minutes) and only want to cover a specific section, go to that section or see the key points of a particular section.



Banking basics: Banking in the U.S.

Different types of accounts: Checking

Better Money Habits¹

- Deposit and withdraw money when you want
- Offers easy access to your money through financial centers, ATMs and digital tools
- Comes with a debit card that takes funds directly out of your account
- Make deposits, send money and pay bills with a variety of different methods including, but not limited to, paper checks, your debit card, Zelle® and Bill Pay
- Not all checking accounts earn interest
- Checking accounts offer multiple ways to waive your monthly maintenance fee
- Some, but not all, checking accounts offer overdraft protection services



Never share your debit card PIN over email, online or text.
Create a PIN that's easy to remember but hard for someone else to guess.

Zelle® should only be used to send money to friends, family or others you trust. We recommend that you do not send money to those you do not know. Transfers require enrollment in the service with a U.S. checking or savings account and must be made from an eligible Bank of America consumer or business deposit account. Transactions between enrolled users typically occur in minutes and transactions between enrolled consumers do not typically incur transaction fees from Bank of America. We will send you an email alert with transaction details after you send money using Zelle®. Dollar and frequency limits apply. See the Online Banking Service Agreement at bankofamerica.com/servicesagreement. For further details, Data connection required. Message and data rates may apply. Neither Bank of America nor Zelle® offers a protection program for any authorized payments with Zelle®. Regular account fees apply.

Zelle and the Zelle related marks are wholly owned by Early Warning Services, LLC and are used herein under license.

Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

5



Choosing the right financial products to meet your needs can help you build the right foundation and give you a head start on building better money habits. Let's review how checking accounts work first.

- A checking account is a bank account where you can deposit and withdraw your money when you want.
- They offer easy access to your money through financial centers, ATMs and digital tools.
- With your debit card, you'll receive a PIN number. Never share your PIN over email, online or in a text. Create a PIN that is easy to remember but hard for someone else to guess.
- With your checking account, you can make deposits, send money and pay bills through a variety of different methods including, but not limited to, paper checks, your debit card, Zelle® and Bill Pay.
- Not all checking accounts earn interest.
- While you may be charged a fee for not keeping the minimum balance required, for using another bank's ATM or for withdrawing more money than you have in your checking account. Many checking accounts offer multiple ways to waive your monthly maintenance fee.
- Some banks may provide overdraft protection services to help avoid overspending. If you have another account linked to your checking account, such as your savings account, the bank may transfer funds from that linked account to cover the shortfall.

How to write a check

Better Money Habits®

The diagram shows a check with the following handwritten entries and labels:

- Write the name of the recipient:** Points to "ABC Company" in the "PAY TO THE ORDER OF" field.
- Write the date:** Points to "April 26, 2027" in the "DATE" field.
- Write the amount:** Points to "\$ 350.25" in the amount field.
- Spell out the monetary amount:** Points to "Three hundred fifty and 25/100" in the amount field.
- Sign the check:** Points to "Sylvia Lopez" in the signature field.
- Fill out as a note to yourself:** Points to "For rent" in the "MEMO" field.

The check also includes a MICR line at the bottom: :123456789: 345678: 1123.

Let's go over the check-writing process.

- First, always include the current date — when you're writing the check.
- Write the name of the recipient clearly and the numeric amount by the dollar sign, or sometimes within a box, depending on the check design.
- You're also going to need to spell out the monetary amount. For example, if the check is \$350.25, you'll write "three hundred fifty" and then the numeric amount of change per the dollar amount, "25/100."
- In the memo section, it's good to add a note like "for rent" or "Johnny's birthday" for your records.
- Lastly, sign the check.
- When depositing a check, it's best to include your signature on the back in the endorsement section.

Different types of accounts: Savings

Better Money Habits®

- Designed for saving
- Funds are less accessible to help you avoid impulse buys
- Can be linked to a checking account so you can transfer funds between accounts
- Earns interest
- Some banks require a minimum opening deposit
- It's possible to incur fees for not carrying the minimum balance or for excessive withdrawals



Two forms of identification are generally required to open an account: passport, visa, driver's license or other official form.

7



- Savings accounts are designed to help you save for your short to medium term goals and set aside money for emergencies.
- Funds are less accessible to help you avoid impulse buys.
- Savings accounts can be linked to your checking account so you can easily transfer money into your savings (or out of it, if necessary). Setting a regular transfer of even \$5 or \$10 from checking to savings can help you establish good savings habits.
- Savings accounts typically earn you higher interest than checking accounts do.
- Savings accounts typically do not allow check writing or debit card usage.
- Some banks require a minimum opening deposit.
- **Watch for fees that may be charged with a savings account, such as fees for not maintaining the minimum balance or for making too many withdrawals.**
- Two forms of ID are generally required to open either a checking or a savings. You can use a passport, visa, driver's license or other official form.

Key takeaways

Better Money Habits[®]

1

Checking accounts are perfect for quick access and the transferring of money.

2

Never share your PIN over email, online or in a text, and create a PIN that's easy for you to remember but hard for someone else to guess.

3

Savings accounts can help you avoid impulse buys and create good habits to help you reach your goals.

4

Be aware that both savings and checking accounts could result in fees, especially for overdrawing funds and not maintaining the required minimum balance.

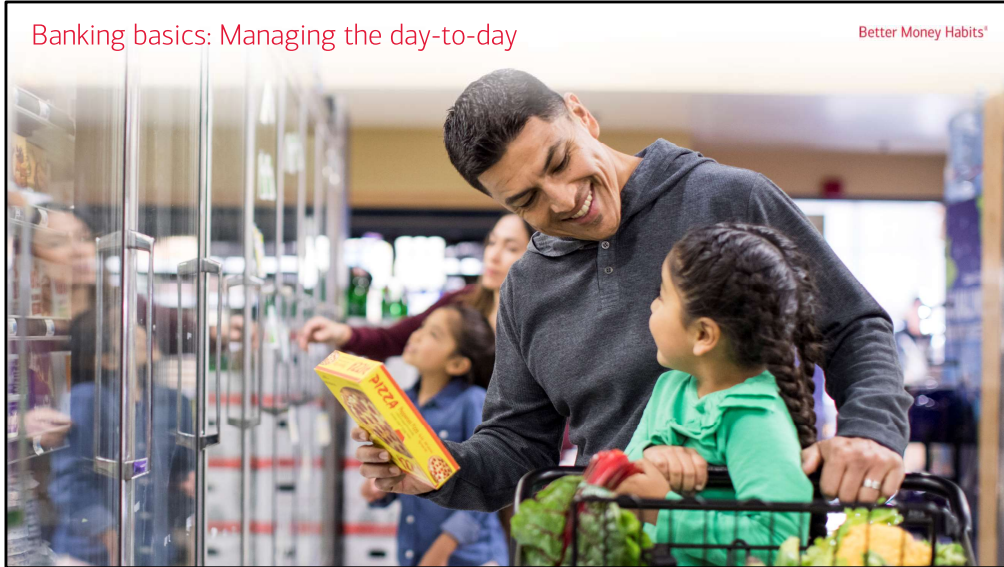
5

You will likely need two forms of identification to open a checking or savings account.

8 

Now let's review what we learned today.

1. Checking accounts are perfect for quick access and transferring your money.
2. Never share your PIN over email, online or in a text, and create a PIN that's easy for you to remember but hard for someone else to guess.
3. Savings accounts can help you avoid impulse buys and create good habits to help you reach your goals.
4. Be aware that both savings and checking accounts could result in fees, especially for overdrawing funds and not maintaining the required minimum balance.
5. You'll likely need two forms of identification to open a checking or savings account.



Banking basics: Managing the day-to-day

Building a budget

Better Money Habits[®]

1. Calculate your net income
2. Track your spending and expenses
3. Set realistic goals
4. Make a plan
5. Adjust your spending to stay on budget
6. Review your budget regularly

Heads of households: incorporate your dependent's needs in your budget.

10

How to set a budget and stick to it. It's not easy saving, especially if you're new to the country or are starting over. We've all got a variety of "need-to-have" expenses, like groceries, clothing, rent, utility bills or car payments.

So where do you start?

Step 1: Know your income. Don't just base your budget on your paycheck or salary. It should be based on your net income. So check your pay stubs and see what you're clearing after taxes, insurance and things like that.

Step 2: Keep track. Tracking and categorizing your expenses can help you determine what you're spending the most money on. Begin by listing your fixed expenses like utilities, rent or car payments. Then list your variable expenses like groceries, clothing, gas and entertainment. Record your daily spending with pen and paper, on a budgeting spreadsheet or in an app on your smartphone.

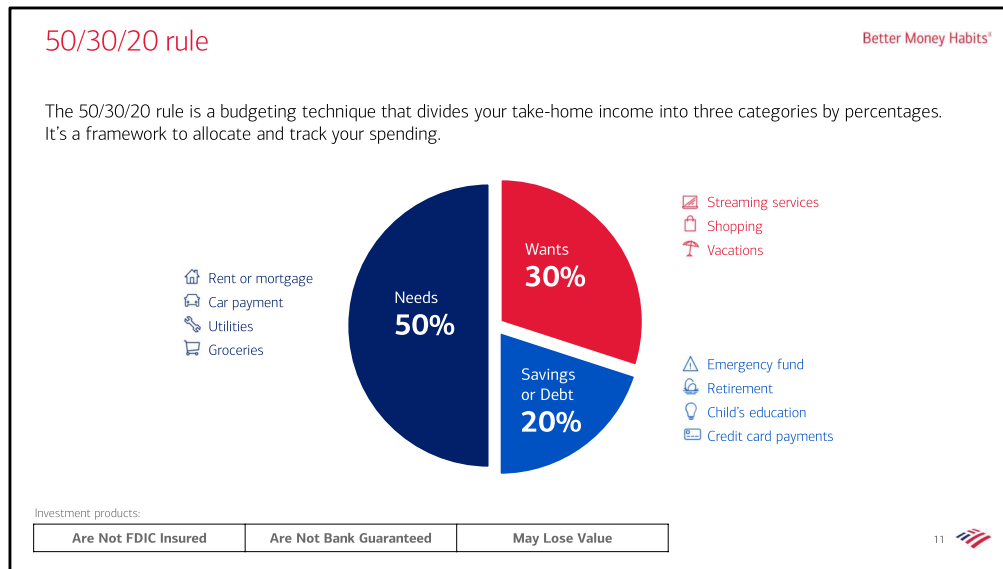
Step 3: Set realistic goals. Make a list of your short- and long-term financial goals. Short-term goals could be things like setting up an emergency fund. Long-term goals can range from buying a car or home or for taking college classes.

Step 4: Make a plan. This is where everything comes together — what you're actually spending vs. what you want to spend. Use the variable and fixed expenses you compiled to get a sense of what you'll spend in the coming months. Then compare that to your net income and priorities.

Step 5: Adjust your spending to stay on budget. Once you've documented your income and spending, you can make any necessary adjustments. Look toward your wants and decide what you may be able to part with. Obviously, looking for extra work or higher paying wages can help ease financial burdens.

Step 6: Review your budget regularly. It's easy to forget and even easier for the small things to start adding up, so keep on it.

If you have family members who depend on you, remember to prioritize your budget to fit the needs of your family. For example, while your children are young, budgeting for school and emergencies may take precedence over your "want-to-have" expenses.



One popular budgeting technique is the 50/30/20 rule. It's a framework you can strive for to keep a balanced budget, even if it's difficult in the beginning. Try to keep:

- Your needs at 50% — things like housing, utilities, childcare and groceries
- Your wants at 30% — things like streaming services, shopping and vacations
- Your savings or debt at 20% — things like your emergency fund, child's education, and retirement.

Try not to get discouraged if you're struggling to reach your goals immediately. You'll want to think about the big picture and take what means you can to get there at a pace that's reasonable.

Better Money Habits®

12

Once you fill out everything you actually spent that month, you can total it up at the bottom and see how much you saved. As we discussed before, if you notice that you're spending more than you planned, or that you may not be saving anything or as much as you'd like to at the end of the month, you may need to adjust some habits.

NOTE TO PRESENTER

This slide should be used with the Spending Plan worksheet. It can be reviewed in three to five minutes, with questions, and the worksheet distributed for participants to take home. Alternatively, if time permits, the slide can be used as an introduction to an interactive exercise in which you work with individuals or small groups to actually start or complete the spending plans with them. The length of time required for the exercise would depend on the size and composition of the audience and the number of presenters/facilitators available to work with participants. Have at least two copies of the Spending Plan worksheet per participant.

Tips for creating an emergency fund

Better Money Habits®

It's important to have an emergency fund to prepare for the unexpected.

- Pick a realistic number and start today
- Cut out one or two things you can do without
- Set up automatic transfers
- If your debt is manageable, consider allotting funds to both debt and savings
- Create a separate savings account for your emergency fund
- Steadily increase the balance until you have enough to cover three to six months of expenses



13 

Preparing for the unexpected is extremely important. You never know what will happen: an illness, an accident, an unexpected layoff. Experts recommend that you have enough money to cover six to nine months worth of expenses. It may sound like a difficult task, but when you get into a routine of saving, it may add up sooner than you think.

1. **Take it day by day.** More important than hitting your savings goal right away is simply getting started. To do that, pick a realistic number you think you could work toward in the short term. Some people, for example, might start with a goal of \$50 or \$100 a month — as little as \$2 to \$3 a day.
2. **Pick something and cut it.** Carpool or use public transportation to save on gas, bring your lunch to work or delete a cable subscription you don't need. You may want to identify one discrete thing you can cut, which can be easier than trying to change your behavior.
3. **Use automated features.** Set up automatic transfers from your checking to your savings account.
4. **Don't let debt get in the way.** If your debt carries high interest rates — like credit cards — it might make sense to aggressively pay down balances first. But if your rates and balances are lower and more manageable, you should work on both saving and debt repayment goals at the same time.
5. **Keep your funds accessible** — but away from temptation. The most important thing about your emergency savings is accessibility. Put the money in an account like standard savings where you can draw on it when needed. Don't lock them up in accounts that charge you to access your money — or keep them in an account you'll be tempted to tap for everyday expenses.
6. **Don't stop.** Try to steadily increase your savings goals until you have put aside enough money to cover your expenses, including rent, utilities, debts and food, for three to six months — a significant buffer against unexpected emergencies.

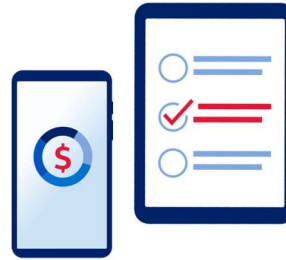
Digital banking tools

Better Money Habits[®]

Almost anything you can do inside a bank, you can also do from your computer, tablet or smartphone.

Features to make banking easier

- Make monitoring your account balances and transactions fast and easy
- See where your money is going, which can make it easier to stick to a budget
- Set up mobile app, text and email alerts for low balances, bill paying and overdraft or late fees
- Quickly spot any suspicious activity



Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

14 

Digital tools can make banking so much easier. Almost anything you can do inside a bank you can also do from a computer, tablet or smartphone.

- Once you're logged in, monitoring your account is fast and easy. You'll see each transaction you make plus any credits, automatic payments and returns.
- When you see where your money is going, perhaps you'll notice a trend such as eating out too often, and it may become easier to stick to budget.
- It's a good idea to set up mobile app, text and email alerts which will let you know if your balance is too low or when a bill payment is due to help avoid overdraft and late fees.
- Since you'll be seeing transactions in real time, it will make it easier to spot any suspicious activity so you can work with your bank in a swift manner.

NOTE TO PRESENTER

A new user may want information on security, as well as on how to execute basic functions such as viewing balances.

What is a Digital Wallet?

Better Money Habits®

A Digital Wallet is a convenient way to pay using your phone. Examples include Apple Pay®, Samsung Pay® and Google Pay™.

To use your Digital Wallet:

- Select the wallet app on your device and follow the prompts
- To pay in-store, hold your phone up to the Contactless Symbol on the checkout terminal
- To pay in-app or online, look for the icon on your Digital Wallet app to check out

Three perks of paying with your Digital Wallet:

1. You no longer need to carry a physical wallet
2. You can quickly make purchases in-store, in-app or online
3. Your card information is safe because your number is not stored on your device or shared with most merchants



Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

The Contactless Symbol and Contactless Indicator are trademarks owned by and used with permission of EMVCo, LLC.

Apple Pay is a trademark of Apple, Inc., registered in the U.S. and other countries. Google Pay is a trademark of Google LLC. Samsung Pay is a registered trademark of Samsung Electronics Co., Ltd.

15



To use your Digital Wallet:

- Select the wallet app on your mobile device or Digital Wallet in your mobile banking app and follow the prompts to add your card information.
- To pay in stores, hold your phone up to the Contactless Symbol on checkout terminals and follow the instructions on the terminal.
- To pay on apps or online, look for the icon for your Digital Wallet app at the checkout.

Some of the perks include:

- No longer having to carry a physical wallet
- Being able to purchase things in-store, online or in-app
- Purchases are more secure because the data is encrypted
- Being able to withdraw cash from ATMs without a physical debit card

To learn more, check out “What is a Digital Wallet?”

<https://bettermoneyhabits.bankofamerica.com/en/personal-banking/what-is-a-digital-wallet>

NOTE TO PRESENTER

- Explain that well-known Digital Wallets are Apple Pay®, Samsung Pay® and Google Pay™.
- Acknowledge that security is a common reason for not using Digital Wallets but point out that merchants never get the card number (unlike credit or debit cards).

Fast and simple deposits

Better Money Habits®

Deposit checks from almost anywhere through a mobile banking app. Most accounts follow these simple steps:

- Open the app and select “deposit checks”
- Sign the back of the check
- Take photos of the front and the back of the check
- Select the account to receive the deposit
- Confirm details and submit



Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

16 

To deposit checks:

Open the mobile banking app and select “deposit check.”

Make sure to sign the back of the check.

Aim the camera to take photos of the front and back. Usually once the app has the full check in range, it will automatically take the picture.

Select the account you want the check to go into and enter the amount.

Moments after you complete the deposit, you’ll see a confirmation screen that contains the photos of the check.

Confirm the details and submit.

NOTE TO PRESENTER

- *Point out that mobile check deposit is a huge time saver. It’s fast, easy and secure.*
- *It’s great to be able to make deposits on their own schedule — without needing to go to the bank — and get quicker access to their money.*

Transfer money to friends and family

Better Money Habits[®]

Digital apps make it easy.

- Transfer between your accounts
- Send money to people you know in minutes* using Zelle[®]
- Transfer from bank to bank

*Zelle[®] should only be used to send money to friends, family or others you trust. We recommend that you do not send money to those you do not know. Transfers require enrollment in the service with a U.S. checking or savings account and must be made from an eligible Bank of America consumer or business deposit account. Transactions between enrolled users typically occur in minutes and transactions between enrolled consumers do not typically incur transaction fees from Bank of America. We will send you an email alert with transaction details after you send money using Zelle[®]. Dollar and frequency limits apply. See the Online Banking Service Agreement at bankofamerica.com/serviceagreement for further details. Data correction required. Message and data rates may apply. Neither Bank of America nor Zelle[®] offers a protection program for any authorized payments with Zelle[®]. Regular account fees apply.
Zelle and the Zelle related marks are wholly owned by Early Warning Services, LLC and are used herein under license.
Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

17

The digital app makes it easy to transfer money to friends and family.

You can transfer between your own checking and savings accounts quick and easy by selecting “transfer between accounts” and choosing which ones and how much. The process is quick and the money is transferred within minutes.

- You can send money between U.S. domestic bank accounts using a U.S. mobile number or email address through Zelle[®]. Both parties must be enrolled with Zelle[®] in order to send money.
 - Zelle[®] should only be used to send money to friends, family or others you trust. We recommend that you don’t use Zelle[®] to send money to those you don’t know. Transactions between enrolled users typically occur in minutes, and transactions between enrolled consumers do not typically incur transaction fees. Please treat Zelle[®] payments like cash. Once you send the money, you are unlikely to get it back. An exception may be made when you do not receive an item you paid for using Zelle[®] or the item received is not as described.
- You can also send money from bank to bank. If you have the recipient’s account number and routing number, you can transfer money from your bank account to another. You might use this method for sending smaller amounts of money to someone you send to regularly.
- You can send and receive international wire transfers with your checking or savings account using your bank’s online tool, peer-to-peer apps, or visiting a branch in-person.

NOTE: Once a transfer has been made, it cannot be reversed or recovered. Contact your bank if you make a mistake. Simple mistakes can be corrected by simply transferring the money back into the correct account or contacting the person you sent money to through Zelle[®].

NOTE TO PRESENTER

Point out that this tool gives clients more control over their money because they can make transfers at their convenience — without needing to go to the bank.

Key takeaways

Better Money Habits[®]

1

Building a budget is an important way to track your spending and set realistic goals.

2

Even if you can only afford to set aside a little extra money per month, creating an emergency fund will help you prepare for the unexpected.

3

Digital banking tools can help make banking more convenient and make monitoring balances and transactions fast and easy.

4

A Digital Wallet is a safe and easy way to make in-store purchases without having to carry a physical wallet.

5

Depositing checks and transferring money through a mobile banking app saves you time and offers instant access to funds when needed.

Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

18 

Now let's review what we learned.

1. Building a budget is an important way to track your spending and set realistic goals.
2. Even if you can only afford to set aside a little extra money per month, creating an emergency fund will help you prepare for the unexpected.
3. Digital banking tools can help make banking more convenient and make monitoring balances and transactions fast and easy.
4. A Digital Wallet is a safe and easy way to make in-store purchases without having to carry a physical wallet.
5. Depositing checks and transferring money through a mobile banking app saves you time and offers instant access to funds when needed.

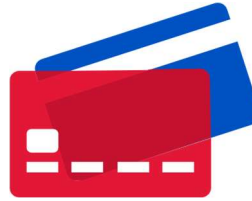


Building credit

What is credit?

Better Money Habits[®]

- Credit allows you to borrow money and repay it later
- You may need credit to purchase a product or service you can't pay for immediately
- It's a promise to a lender that you'll repay the funds
- When you make good on that promise, your credit score will go up
- Good credit makes it easier to get a credit card, buy a car or home, and much more



20 

- By definition, credit is the ability to borrow money with the promise that you'll repay it in the future, often with interest. You may need to purchase something you can't pay for immediately, anything from a car repair to a medical expense.
- While credit comes in many forms, the most common are credit cards and home, car and student loans.
- To get credit, you must apply for it and the amount of money you're authorized to borrow is determined by the lending institution based on your personal financial history. When you make good on your promise to repay a loan, your credit rating will go up.
- Having good credit makes it easier to be approved for other loans down the road and you'll often pay less in interest fees.

Credit cards

Better Money Habits[®]

There are two main types of credit cards: secured and unsecured. Secured cards require a cash deposit upfront to guarantee your credit line. They're useful for gaining or rebuilding credit. Unsecured cards do not require a deposit to secure the loan and offer more privileges.

	Secured credit card	Unsecured credit card
Application required	✓	✓
Requires security deposit	✓	
Interest may apply	✓	✓
Helps build credit	✓	✓
Lower credit limit	✓	
Reports to credit bureaus	✓	✓

21 

There are two main types of credit cards: secured and unsecured. Let's go over the differences.

Secured cards. If you have bad or limited credit, a secured credit card is one option that can help you build — or rebuild — your credit score. With this type of card you secure the amount you borrow with a security deposit. Your credit line is equal to the amount you deposit. You won't be able to touch that money or use it to pay off your balance, and you'll still have to prove to the bank that you have sufficient income to pay the credit card. Keep in mind, a secured card is different from a prepaid card, which doesn't help establish credit.

Unsecured cards. Most credit cards fall under this category. With an unsecured card, you don't have to provide any collateral for you to borrow money. The lender takes your word, usually based on proven credit habits, that you'll pay them back.

NOTE TO PRESENTER

- *Once you have established good credit, the issuer may upgrade your product to an unsecured card. You can also request an upgrade. At any time you can pay the account down and request your collateral back.*

Building credit from scratch

Better Money Habits®

- Open a checking account
- Get a credit card
 - Consider a secured credit card
 - Prepaid cards don't build credit
- Don't reapply right away if you're turned down
- If possible, ask someone to co-sign a loan
- Continue to carefully manage credit



22 

Building your credit for the first time can feel a little like the chicken and the egg. To build a good credit score, you're going to need to take out a loan or get a credit card, but you can't qualify for a loan or get a credit card without some credit history. So what do you do?

Start by opening a bank account. Even though a checking account won't necessarily help you build credit history with the bureaus, that account may help you get your first credit card or loan from the same provider. If you already have a history of doing good business with the bank, that can carry some weight when it comes time to get your first line of credit.

Consider applying for a secured card. As we discussed, a secured card is a good way to get your lender to trust you and give you a good opportunity to build or rebuild your credit. And remember prepaid cards don't build credit.

Don't apply for a bunch of different cards if you keep getting turned down. Credit applications are considered hard inquiries and declines may depress your credit score, which we will get into more detail shortly.

Another way to build credit is to see if there's someone who might be willing to co-sign a loan with you. When someone co-signs a loan, you get the benefit of their good credit history, and this may help you get approved. You can then build your own credit with a good history of payments on the co-signed account. Whoever co-signs the loan would be on the hook for the debt if you cannot continue to make the payments.

When you do get credit extended to you, it's important to keep managing it carefully, even after you've built a history. You're doing the right thing by getting off on the right foot.

Five ways to use your credit card responsibly

Better Money Habits®

1. Shop around — fees, interest rates and security deposits differ
2. Don't charge excessively to ensure you can pay the monthly balance in full
3. Set up payment alerts so you don't miss a payment
4. Set up automatic monthly payments to avoid late fees and interest charges
5. Pay more than the monthly minimum owed



23 

These tips can apply to either secured or unsecured loans.

1. Before you apply for a credit card, shop around. Keep in mind fees, interest rates and required security deposits.
2. To ensure you can pay the monthly balance in full, don't charge excessively. Instead, make purchases you can pay off right away.
3. Set up payment alerts so you don't miss a payment. One late payment can hurt your credit.
4. Set up automatic monthly payments to avoid late fees and interest charges.
5. Pay more than the monthly minimum owed.

What is a good credit score and why does it matter?

Better Money Habits[®]

A credit score is a number that helps lenders, like banks, insurance companies and landlords assess how well you've managed your financial obligations. It's one of several factors they may consider when deciding a rate of pay for services, whether to loan you money or whether to enter into a business agreement. Credit scores typically range from 300 to 850, and they can change monthly.

<620 Anything under 620 could make it harder to get a loan

>700 Anything above 700 is more attractive to lenders

Poor 300–579	Fair 580–669	Good 670–739	Very good 740–799	Exceptional 800–850
-----------------	-----------------	-----------------	----------------------	------------------------

717 is the average credit score among Americans.*

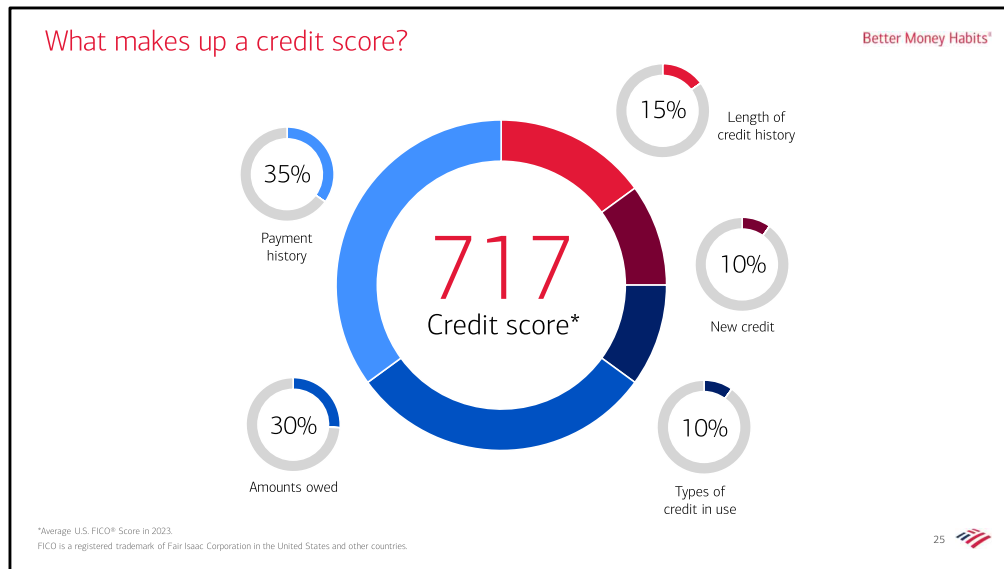
*Average U.S. FICO[®] Score in 2023.
FICO is a registered trademark of Fair Isaac Corporation in the United States and other countries.

24 

A credit score is a number that helps lenders, like banks, insurance companies and landlords, assess how well you've managed your financial obligations. It's one of several factors they may consider when deciding a rate of pay for services, whether to loan you money or whether to enter into a business agreement. Credit scores typically range from 300 to 850, and they can change monthly.

Once you start to build or reestablish credit, you're going to want to keep track of your credit score, known as a FICO[®] Score (Fair Isaac Corporation).

The three national credit-reporting bureaus — Experian, TransUnion and Equifax — are required to give you a free copy of your credit report upon request every 12 months. Go to AnnualCreditReport.com to check it for free. You won't see your credit score, but you'll see a breakdown of your debts and payment history. These days a lot of banks offer free FICO[®] Scores to their customers through online and digital banking. This is a great way to check your score regularly.



So, what goes into a credit score? There are five main drivers.

Payment history (35%). Before lenders extend credit to you, they want to know if you pay your bills on time. Always make at least the minimum payment by the due date.

Amounts owed (30%). High balances can hurt your score. Lenders prefer that you use less than 30 percent of your available credit. You may be able to check what percent you're using on your account page on your bank's website.

Length of credit history (15%). Your score considers how long you've been using your credit accounts. Generally, longer is better.

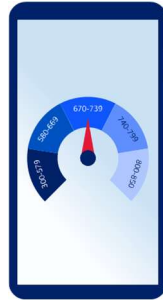
Types of credit (10%). Having a mix of loan types — such as credit cards, student or auto loans and mortgages — is good for your score. It shows a lender you can handle multiple payments at the same time.

Credit inquires (10%). Lenders see you as a bigger risk if you apply for, or open, several new credit accounts in a short period of time.

Where to get your credit score

Better Money Habits[®]

- Online Banking and mobile apps
- Order your free credit report:
 - Online: AnnualCreditReport.com
 - By phone: Call 877.322.8228
 - By mail: Credit Report Request
P.O. Box 105281
Atlanta, GA 30348-5281



Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

26 

If and when you choose to use Mobile and Online Banking, you'll notice most banks offer a free look at your FICO[®] Score, usually monthly. This is great indicator of what may be happening on your credit report. Different banks will pull from different agencies, so your score may look a little different from one to the next.

You can request a free credit report once a year:

Online: AnnualCreditReport.com

By phone: 877.322.8228

By mail: Credit Report Request, P.O. Box 105281, Atlanta, GA 30348-5281

What is a credit report?

Better Money Habits®

A credit report is a history of your accounts and payments collected from public records and companies you do business with. Your credit score is a number generated from details of your report. That number is used by lenders to determine your risk as a borrower and helps them determine your interest rate.

A credit report consists of four sections:

1. **Personal information:** Your name, current and past addresses, Social Security number and date of birth
2. **Credit history:** All loans and credit card accounts and your track record for repaying
3. **Public records:** Bankruptcy filings only
4. **Hard and soft credit inquiries:** Anyone who's checked your credit in the past two years



27



A credit report is a history of your accounts and payments collected from public records and companies you do business with. The three major credit bureaus — Experian, Equifax and TransUnion — collect this data and use that information to create your report and generate your credit score. Your score is used by lenders to determine your risk as a borrower and helps them determine your interest rate. A credit report shows your loans, credit cards and payment history.

The report has four sections.

1. **Personal information:** Your name, current and past addresses, Social Security number and date of birth
2. **Credit history:** All loans and credit cards accounts and your track record for repaying
3. **Public records:** Bankruptcy filings only
4. **Hard and soft credit inquiries:** Anyone who's checked your credit in the past two years

Credit reporting bureaus

Better Money Habits[®]

The three major credit reporting bureaus

It's important to check your reports from all three bureaus because they may contain slightly different information. Each one must supply a free report per year if you ask for it. Here's what to look for:

- Accounts belonging to someone with a similar name
- Accounts incorrectly reported as late or delinquent
- Same debt listed more than once
- Incorrect balances or credit limits

Experian[®]: experian.com or 888.397.3742

TransUnion[®]: transunion.com or 800.680.7289

Equifax[®]: equifax.com or 888.766.0008

28 

It's important to check your reports from all three bureaus because they may contain slightly different information.

Experian[®]: experian.com or 888.397.3742

TransUnion[®]: transunion.com or 800.680.7289

Equifax[®]: equifax.com or 888.766.0008

Once you receive your report, you should start by making sure all of your personal information is correct. Then zero in on your credit history, especially the subsection called “adverse accounts.” It can show negative items like past-due credit account or debt that was sent to collections, which can hurt your credit.

You may find errors in this section that you'll want to correct. Reach out first to the creditor and then to the credit bureaus. The Consumer Financial Protection Bureau, a federal agency, has a guide for disputing errors, including sample letters.

If an error looks fraudulent — for example, you see a mortgage for a house you don't own — act quickly. Contact the credit bureaus and ask them to put a fraud alert on your account.

Common errors include:

- Accounts belonging to someone with a similar name
- Accounts incorrectly reported as late or delinquent
- Same debt listed more than once
- Incorrect balances or credit limits

Do's and don'ts for improving your credit

Better Money Habits[®]

DO

- **Keep your balances manageable** and under your credit limit
- **Make your credit payments on time every month**, including loans, utilities and mortgage payments
- **Keep credit accounts** that you've historically paid on time
- **Check your credit report** once a year for accuracy

29 

We'll start with the do's. Some of these we've gone over already.

Do:

- Keep your balances manageable and under your credit limit.
- Make your credit payments on time every month, including loans, utilities and mortgage payments.
- Keep credit accounts that you've historically paid on time.
- Check your credit report once a year for accuracy.

NOTE TO PRESENTER

- *Introduce these as tips for those looking to improve their credit score.*
- *Highlight the do's using the script above.*

Do's and don'ts for improving your credit

Better Money Habits®

DON'T

- **Exceed the limits** on your credit card accounts
- **Miss a payment** or fail to pay at least the minimum amount due
- **Apply for a lot of credit accounts** in a short period of time
- **File for bankruptcy** or get your credit account turned over to a collection agency

30 

And as for those don'ts

Don't:

- Exceed the limits on your credit card accounts.
- Miss a credit payment or fail to pay at least the minimum amount due.
- Apply for a lot of credit accounts in a short period of time.
- File for bankruptcy or get your credit account turned over to a collection agency.

NOTE TO PRESENTER

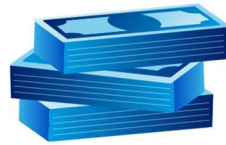
Highlight the don'ts using the script above.

Paying down credit card debt

Better Money Habits®

By paying more than the minimum requested on your credit card bill, you can save money on interest payments and pay less over time on your debt.

Example:



\$3,000
balance

	\$100/month payment	\$200/month payment
Payoff time	37 months	17 months
Total interest	\$657	\$300
Total cost	\$3,657	\$3,300

Assume a minimum due of \$100 per month and interest that is calculated as an annual percentage rate (APR) of 13%.

31 

You can avoid paying too much on interest by paying more than the minimum and paying off your credit cards in a timely manner.

You can see that by making a \$200 payment per month on a \$3,000 loan, you pay the loan off much quicker and save hundreds of dollars on interest.

Remember the 50/30/20 rule where you'll want to keep your debt around 20% and to prioritize your needs vs. your wants.

Key takeaways

Better Money Habits[®]

1

Credit allows you to borrow money and repay it later. Building good credit makes it easier to get a credit card, buy a car or home, and much more.

2

If you have little to no credit, you can build credit from scratch by opening a checking account and applying for a credit card.

3

There are two types of credit cards: secured and unsecured.

4

A good credit score in the 700 range makes you more attractive to lenders.

5

You can avoid paying too much interest by paying more than the minimum and paying off your credit cards in a timely manner.

32 

Now let's review what we learned.

1. Credit allows you to borrow money and repay it later. Building good credit makes it easier to get a credit card, buy a car or home and much more.
2. If you have little to no credit, you can build credit from scratch by opening a checking account and applying for a credit card.
3. There are two types of credit cards: secured and unsecured.
4. A good credit score in the 700 range makes you more attractive to lenders.
5. You can avoid paying too much on interest by paying more than the minimum and paying off your credit cards in a timely manner.



Financial safety

Protect your identity

Better Money Habits[®]

Unfortunately, many scams target people new to the U.S. Here are six ways to protect yourself:

1. Make sure U.S. websites end with .gov
2. Don't give out information or make payments in response to calls, texts or emails
3. Never sign a blank form or anything you don't fully understand
4. Safeguard your check books, credit cards, bank account information, passport, birth certificate, identification numbers and other personal information
5. Check your credit report once a year
6. Create different passwords for all your accounts



Note: If you're relying on someone for language translation, make sure it's someone you can trust.

34 

Unfortunately, many scams target people new to the U.S. Some crooks may use fake websites that look like official government sites. Others may call or email with urgent demands for payment for immigration help. To protect yourself:

1. Make sure website addresses end with .gov. If they don't, they aren't U.S. government sites.
2. Don't give information or make payments in response to calls, texts or emails — U.S. officials will never contact you that way.
3. Never sign a form that is blank, incorrect or that you don't fully understand. If you don't understand what you're signing, ask for a translator or information in your language.
4. Safeguard your passport, birth certificate, identification numbers and other personal information.
5. Check your credit report once a year for errors or fraudulent activity.
6. Create different passwords for all your accounts.

Common scams

Better Money Habits®

- **Fraudulent emails and text messages:** Be cautious about opening attachments
- **Suspicious retailers:** Examine whether the website is secure or legitimate
- **Bogus tech support:** False tech support pop-ups use scare tactics and ask for money
- **Government imposters:** Be wary of strange requests, and do your homework
- **Online dating hoaxes:** Never send money or gifts to a stranger



35



Scams are on the rise, as sophisticated criminals try to capitalize on our changed circumstances. Fortunately, you can protect your financial and personal information by learning about the scams and the best ways to avoid them.

- **Fraudulent email and text messages**

The scam: You receive an unsolicited message stating your bank account or other accounts are frozen, or you've won a prize or job opportunity. The sender asks you to take immediate action by sending them money or providing account information.

Steer clear: Security tools can help filter out malicious texts and emails, but they don't get them all. Never open any attachments or click on links. If you don't have an account with the company purportedly sending the email, log in directly to the company's homepage URL and check for account alerts. Don't give out personal information if you didn't initiate the communication.

- **Suspicious retailers**

The scam: Cyber criminals set up a fake store online (or on social media) that offers products at cheaper-than-usual prices. At checkout, you may not have the option to use a trusted third-party payment platform, meaning criminals could directly access your information. They may also ask for payment by wire or gift card so that it can't be traced.

Steer clear: If the price of an item seems too good to be true, it probably is. Examine if the website is secure and lists a phone number or physical mailing address you can easily verify. Also, you can search for the company on the Better Business Bureau website.

- **Bogus tech support**

The scam: You receive a request via email, pop-up window or a phone call from tech support claiming your computer or other device has a virus. They ask for payment to fix the defects or for remote access to your computer.

Steer clear: If you suspect your computer or other devices may be compromised, consider installing the latest updates to your security software. If someone called you, hang up and call a known good number for support. Keep in mind that software companies do not initiate support calls.

- **Government imposters**

The scam: You receive a request from someone claiming to be a U.S. government agency urging you to settle a debt right away. They claim you could be arrested, lose your home or see Social Security benefits withheld.

Steer clear: Always be wary of strange requests, and do your homework to verify any suspicious solicitations. The government will never ask you — by phone or email — to pay back debt with an untraceable prepaid debit card, gift card or wire transfer.

- **Online dating hoaxes**

The scam: Cyber criminals use online dating apps or social networking sites to strike up conversations with unsuspecting potential targets. After earning your trust, they will need funds for a plane ticket (or other expense).

Steer clear: It's never a good idea to send money to someone you've never met in person. Be cautious about sharing too much personal information on online dating sites or social media.

Mobile security tips

Better Money Habits[®]

Use strong passcodes

Strong passcode

lLv4Btng!

Start with a memorable sentence like "I live for boating!" and transform it.


VS

Weak passcode

password1234

Avoid using passcodes that can be easily guessed or are based on personal information.

Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

36 

You may be tempted to use a simple password that you won't forget. You can still do that by starting with a memorable sentence like "I live for boating!" and transform it to lLv4Btng!

Avoid using weak passcodes that could be easily seen or guessed by others.

Many online membership sites or health care portals, etc. will offer an auto-generated "strong password" suggestion. They're worth considering, but be careful where you store passwords that you may need to write down vs. memorizing.

Mobile security tips (continued)

Better Money Habits[®]

- Don't use a code with personal details to unlock your phone
- Secure your smartphone
- Don't keep sensitive information on your phone
- Think twice before you download apps
- Watch what you share on social media
- Keep technology up to date



Mobile Banking requires that you download the Mobile Banking app and is only available for select mobile devices. Message and data rates may apply.

37 

- **Don't use a code with personal details to unlock your phone**, like any part of your Social Security or visa numbers, or credit card numbers or birthdays.
- **Secure your smartphone.** Many mobile devices give you the option of locking your screen, which helps keep data stored on them secure. Depending on your phone, this can come in the form of a passcode, a pattern you draw on your phone's touch screen, or the most secure option: biometrics such as your fingerprint or face.
- **Don't keep sensitive information on your phone.** Sensitive information includes your bank account numbers, identification information, passcodes, answers to your security questions and any other personal details. If you bank via mobile app, the information in your app should have additional protections like multifactor authentication to keep your information secure.
- **Think twice before you download apps.** It's a good idea to review the privacy policy and understand what personal data an app can access before you download. It's best to purchase or download from authorized stores to avoid malware.
- **Watch what you share on social media.** The more you post about yourself on social networking sites, the easier it might be for someone to use that information to access your accounts, steal your identity and more. Maximizing your privacy settings on social networking sites can also help protect your personal information.
- **Keep technology up to date.** Make sure to update your computer's operating system, your internet browser and the software on your mobile devices. Updates generally include the latest security patches. Be sure to also use antivirus and antispyware software: These programs help find and remove malicious programs from your computer.

1

You can protect your financial and personal information by learning about scams and how to avoid them.

2

Use strong passwords and avoid those that can be easily guessed.

3

Protecting information stored in your smartphone and avoiding sharing too much on social media can help protect you from identity theft and scams.

Now let's review what we learned.

1. You can protect your financial and personal information by learning about scams and how to avoid them.
2. Use strong passwords and avoid those that can be easily guessed.
3. Protecting information stored in your smartphone and avoiding sharing too much on social media can help protect you from identity theft and scams.



Understanding taxes

How taxes work

Better Money Habits[®]

If you work in the U.S., you're required to pay taxes on income earned from jobs, investments and otherwise.

- Employers often withhold money from your paycheck to cover taxes
- Once a year, you must file a tax return (typically by April 15)
- If the amount withheld was too low, you may owe money
- If the amount withheld was too high, you may receive a tax refund
- A Social Security number or Individual Taxpayer Identification Number (ITIN), which is issued by the Internal Revenue Service (IRS) to non-U.S. citizens, is required to file a tax return



Bank of America and its affiliates do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

40 

If you work in the U.S., you are required to pay taxes on income earned from jobs, investments and other sources.

- Employers often withhold money from your paycheck to cover taxes
- Once a year, you must file a tax return (typically by April 15)
- If the amount withheld was too low, you may owe money
- If the amount withheld was too high, you may receive a tax refund
- A Social Security number or Individual Taxpayer Identification Number (ITIN), which is issued by the Internal Revenue Service (IRS) to non-U.S. citizens required to file a tax return

Better Money Habits®

Bank of America and its affiliates do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
----------------------	-------------------------	----------------

4



1. **Gross pay** is the total amount you are paid each cycle — your pay before any deductions are taken out. This is not the amount you take home.
2. **Mandatory deductions.** These are deductions you have to pay by law: **Federal income tax** could be from 10% to 37% depending on income; **state income tax** is not applicable in all states but could be from 1% to 10% or more; Employee share of **Social Security tax** is 6.2% and **Medicare** is 1.45%. Other mandatory deductions may apply based on your state — for example, required contributions toward government-run disability insurance programs.
3. **Voluntary deductions.** You may have elected to pay for these things before taxes are removed, like health insurance premiums, contributions to a retirement account or Flexible Spending Account or maybe commuter benefits. If you have any questions about your deductions (abbreviations might not be obvious), check with your human resources department.
4. **Net pay.** This is your take-home pay — the amount of your check or direct deposit made into your bank account. From your gross pay, subtract your mandatory and voluntary deductions.

How to file your taxes

Better Money Habits[®]

You'll need to file both a state and federal tax return if you meet or surpass certain levels of income during the year.

1. Keep an eye on your income
2. Save the right paperwork all year long
3. Watch for your income documents to arrive
4. Learn which credits and deductions you can take
5. Mind your deadlines
6. Decide how to file your tax return



Bank of America and its affiliates do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

42 

You'll need to file both a state and federal tax return if you meet or surpass certain levels of income during the year.

1. **Keep an eye on your income.** If you're employed, look at your pay stub for the "year to date" income — and if you have more than one job, be sure to add up your income from all your employers.
2. **Save the right paperwork** all year long to make life easier during tax season. You might want to keep receipts for things like charitable donations, work-related expenses and medical bills, or other items from Step 4. Having these handy and organized can help you determine whether to itemize or take the standard deduction, and make the process easier. You should keep your paperwork after you file, too. The IRS recommends keeping records for at least three years.
3. **Watch for your income documents to arrive.** You should receive forms about how much income you've earned from your employers and other income sources in January or February. If you're a full-time employee, you will receive a **Form W-2** detailing your earnings, as well as which taxes were withheld. If you work freelance or on a contract, you may receive a **Form 1099-NEC** detailing what you earned. You may also receive documents showing dividends or interest earned on investments (**Forms 1099-DIV** or **1099-INT**, for example), or student loan interest you've paid (**Form 1098-E**). If you're a college student (or you have a dependent who is), you'll receive a **Form 1098-T** that shows how much you paid in tuition, as well as any amounts you received from grants or fellowships, to help you figure out deductions and credits related to education expenses.
4. **Learn which credits and deductions you can take.** Here are a few to consider:
 - **Child tax credit.** If your child meets certain criteria, you can get a child tax credit, which is typically a few thousand dollars. Visit the IRS site to learn more. <https://www.irs.gov/credits-deductions/individuals/child-tax-credit>
 - **Charitable deductions.** Donating to your alma mater or a favorite charity? Generally, you can deduct qualified charitable donations if you itemize your taxes.
 - **Freelance expenses.** If you are self-employed, you may be able to claim deductions for work-related expenses such as industry subscriptions and office supplies.
 - **Student loan interest.** You can deduct up to \$2,500 in interest payments, depending on your modified adjusted gross income.
5. **Mind your deadlines.** Having your tax documents arrive in January or February gives you about two months to prepare your tax return by the usual due date of April 15.
6. **Decide how to file your tax return.** You can opt to use IRS online forms electronically, a tax prep software that will walk you through the steps and deductions, or a tax preparer if you need one-on-one help.

Key takeaways

Better Money Habits[®]

1

Working in the U.S. requires you to pay taxes on income. Most employers withhold money from your paycheck.

2

Once a year, you must file a tax return. Depending on the amount withheld, you may owe money or receive a refund.

3

Understanding how to read your pay stub offers useful information about taxes, benefits and deductions.

4

There are several ways to file your taxes from online software to a tax preparer.

Bank of America and its affiliates do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

43 

Now let's review what we learned.

1. Working in the U.S. requires you pay taxes on income. Most employers withhold money from your paycheck.
2. Once a year, you must file a tax return. Depending on the amount withheld, you may owe money or receive a refund.
3. Understanding how to read your pay stub offers useful information about taxes, benefits and deductions.
4. There are several ways to file your taxes from online software to a tax preparer.



Strategies for international students

U.S. banking for international students

Better Money Habits[®]

Having domestic bank accounts up and running can make for a smoother adjustment to universities. Start by choosing a bank and finding out what information the bank needs. Typically, they'll request:

- Two forms of identification — typically a passport and a secondary document such as a driver's license, birth certificate, student ID or major credit card
- An ID, utility bill or rental agreement that shows your physical address in the U.S.
- Government forms related to your domestic studies
- A letter proving you're enrolled in a university



45



Having domestic bank accounts up and running can make for a smoother adjustment to universities. As an international student, having U.S. checking, savings and credit card accounts can help you eliminate foreign transaction fees and gain convenient ways to pay for books, food, rent and other essentials. You'll also be on your way to building a credit history, which may make it easier to borrow money in the future.

Start by choosing a bank and finding out what information the bank needs. Fees vary from bank to bank, so ask for a list of charges associated with the accounts you plan to open. Check for any student benefits.

For example, some banks waive maintenance fees on student checking accounts. Also, be sure to ask about a bank's online and mobile tools and whether there are minimum balance requirements. If you think you'll need cash on a regular basis, look for a bank that has branches or fee-free ATMs close to campus. Typically, they'll request:

- Two forms of identification — typically a passport and a secondary document such as a driver's license, birth certificate, student ID or major credit card
- An ID, utility bill or rental agreement that show your physical address in the U.S.
- Government forms related to your domestic studies
- A letter proving you're enrolled in a university

Types of accounts to consider

Better Money Habits[®]

Checking:

- Apply if you need money readily available
- Many banks offer student accounts with lower minimum balances, no overdraft fees or monthly fees plus additional mobile tools

Savings:

- Apply if you expect to have extra money that you won't need access to immediately
- Many banks waive monthly maintenance fees for students

Credit card:

- Your credit history does not follow you to the U.S.
- A credit card is a great way to build good credit when used responsibly
- Some banks offer student credit card options with lower limits

46 

Some banks allow you to open an account online if you have a Social Security card or other identification issued by the U.S. government. In general, international students should plan to open their accounts in person.

Checking account:

- Apply if you need money readily available
- Many banks offer student accounts with lower minimum balances, no overdraft fees or monthly fees plus additional mobile tools

Savings account:

- Apply if you expect to have extra money that you won't need access to immediately
- Many banks waive monthly maintenance fees for students

Credit card:

- Your credit history does not follow you to the U.S.
- A credit card is a great way to build good credit, when used responsibly
- Some banks offer student credit card options with lower limits

Three great reasons to set up a U.S. bank account

Better Money Habits[®]



Direct deposit is simple and safe

You can have your paychecks, financial aid, scholarship money and other payments sent directly to your account. It offers quick, safe and easy access to your money.



Set up automatic payments and never be late

Set up recurring bills like rent, utilities and phone services to come out of your U.S. bank account and you'll always be on time!



Avoid foreign transaction fees

A U.S. account can save you significant money on foreign transaction fees on purchases from airfare, hotels, car rentals and public transportation.

47 

Three great reasons to set up a U.S. bank account:

1. **Direct deposit is simple and safe.** You can have your paychecks, financial aid, scholarship money and other payments sent directly to your account. It offers quick, safe and easy access to your money.
2. **Set up automatic payments and never be late.** Set up recurring bills like rent, utilities and phone services to come out of your U.S. bank account and you'll always be on time! It will help you avoid late fees and damage to your credit score.
3. **Avoid foreign transaction fees.** If you're using your home country account while in the U.S., you're likely to get hit with charges such as international transaction and currency exchange fees — which can also apply to ATM transactions. You can avoid these with a U.S. bank account. If you plan on traveling or sightseeing, a U.S. account can save you significant money on foreign transaction fees or purchases from airfare, hotels, car rentals and public transportation.

International wire transfers

Better Money Habits[®]

A checking or savings account enables you to send and receive money via international wire transfers. Here's what to know:

- Money travels securely between your account and a foreign bank account that you designate
- You may be able to initiate a transfer using your bank's online tool or by visiting a branch
- Other options include in-person and online wire transfers, as well as peer-to-peer apps
- Evaluate fees, exchange rates, security and how long the transfer will take ahead of time



48 

A checking or savings account enables you to send and receive money via international wire transfers. Here's what to know:

- Money travels securely between your account and a foreign bank account that you designate
- You may be able to initiate a transfer using your bank's online tool or by visiting a branch
- Other options include in-person and online wire transfers, as well as peer-to-peer apps
- Evaluate fees, exchange rates, security and how long the transfer will take ahead of time

Watch out for student scams

Better Money Habits®

- Fake apartment listings
- Bogus scholarships, grants and debt relief
- Unpaid tuition claims
- Counterfeit check cashing
- Improper employment offer schemes
- Sweepstakes and giveaways



49 

Scammers know students often have hectic schedules and may be new to money management, making you an ideal target. The good news? You can protect your financial and personal information by familiarizing yourself with the most prevalent scam tactics and how to spot them.

- **Fake apartment listings**

The scam: You see an ideal apartment listing online. The landlord or agent isn't able to show you the place, but you can secure it immediately if you mail or wire a deposit. You find out later that the ad was phony and your money is gone.

Action to take: Do an internet search on the apartment's address and any contact names you come across. If the apartment is in your area, always view it in person. In all cases, never send money without first confirming that a listing is legitimate.

- **Bogus scholarships, grants and debt relief**

The scam: You receive a call or email saying you earned a grant or scholarship or can take part in a debt relief scheme. You're asked to make an upfront payment for processing or related services, but the scholarship or grant money never materializes.

Action to take: Contact your school to see if anyone there can help to confirm the legitimacy of the award. In addition, research the organization giving the scholarship or grant to see what information you can find out. Under no circumstances should you be required to send money for a scholarship or grant.

- **Unpaid tuition claims**

The scam: A person claiming to be a representative of your college calls to say that your tuition payment is late and that you'll be dropped from all classes unless you pay immediately over the phone.

Action to take: End the call, then contact your school's financial aid office through a verified phone number from the school's official website or correspondence. Report the incident to your school.

- **Counterfeit check cashing**

The scam: You receive a cashier's check from someone you don't know, such as a shopper who wants an item you are selling online. The amount is for more than is owed so you're asked to deposit the check and return the extra funds. Yet, the check is counterfeit — and by the time you and your bank discover that, you've already sent money to the scammer.

Action to take: Never return the amount overpaid until you have confirmation that the check has fully cleared. If the con artist contacted you via a website, notify that site.

- **Improper employment offer scheme**

The scam: You see a job posting that promises great benefits such as flexible hours and above-average pay. But you have to pay an upfront fee to move forward in the interview process or to secure the role. In some cases, the application asks for personal information, such as your Social Security number, which the cybercriminal can use without your knowledge or permission.

Action to take: Cut off contact with any firms that ask you to pay an advance fee for a job. If you sent money as a fee, report the scam to the website where the listing was posted.

- **Sweepstakes and giveaways**

The scam: You receive a call, email or social media message that is purportedly from a company that distributes sweepstakes or lottery winnings notifying you that you've won a contest, but you need to pay a processing fee or taxes to claim the prize. In some cases, scammers will ask for your bank or credit card information, saying they will directly deposit the winnings into your financial accounts.

Action to take: If you feel that you perhaps won a legitimate prize, look up the official website of the group contacting you for information on how to proceed.

Filing international student taxes

Better Money Habits[®]

Every international student on an F-1 visa is required to file a tax return if they were in the U.S. during the previous calendar year and earned the following types of income:

- Wages and compensation
- Salaries
- Tips
- Interest
- Dividends
- Some scholarships and grants
- Prizes and cash awards



Visit the [IRS website](#) for more detailed information.

Bank of America and its affiliates do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

50 

Every international student on an F-1 visa is required to file a tax return if they were in the U.S. during the previous calendar year and earned the following types of income:

- Wages and compensation
- Salaries
- Tips
- Interest
- Dividends
- Some scholarships and grants
- Prizes and cash awards

Visit the [IRS website](#) for more detailed information.

Types of tax credits and deductions

Better Money Habits[®]

Getting a sense of credits and deductions will help you pull together the proper documentation when filing your taxes.



Saver's credit

If you're not a full-time student and not being claimed as a dependent, you may be eligible for a tax credit.



Student loan interest

You can deduct up to \$2,500 in interest payments depending on your modified adjusted gross income.

Note: Only U.S. residents can apply for student loans.



Charitable deductions

You can deduct qualified charitable donations you made to your church or favorite charity.



Freelance expenses

If you're self-employed, you may be able to claim deductions for work-related expenses.

Bank of America and its affiliates do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

51 

Getting a sense of credits and deductions will help you pull together the proper documentation when filing your taxes.

Saver's credit. If you are not a full-time student and are not being claimed as a dependent, you may be eligible for a tax credit if you contribute to a retirement plan. The amount of the credit depends on your filing status and adjusted gross income. Visit the IRS site to learn more about the saver's credit and if you qualify.

Student loan interest. You can deduct up to \$2,500 in interest payments, depending on your modified adjusted gross income. Note: Only U.S. residents can apply for student loans.

Charitable deductions. You can deduct qualified charitable donations you made to your church or favorite charity if you itemize.

Freelance expenses. If you are self-employed, you may be able to claim deductions for work-related expenses.

If you think you may qualify for additional credits or deductions, check the [IRS website](#).

Key takeaways

Better Money Habits[®]

1

Having domestic bank accounts up and running can make for a smoother adjustment for international students.

2

Consider applying for a checking and savings account as well as a credit card.

3

Be on the lookout for student scams like fake apartment listings, bogus scholarships and unpaid tuition claims.

4

Every international student on an F-1 visa is required to file a tax return on income like wages, salaries, tips, interest, some scholarships and grants.

5

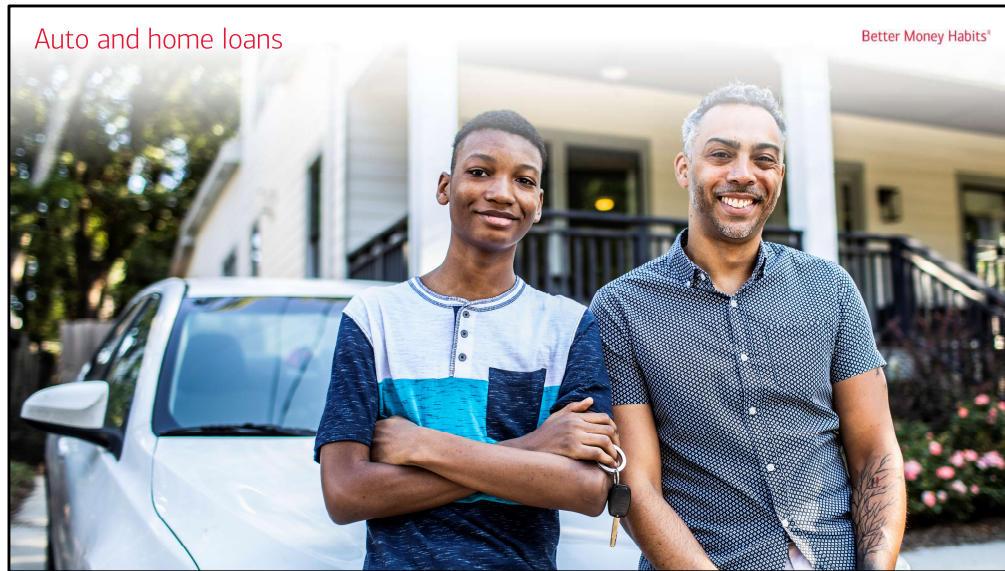
There are several tax credits and deductions you may be entitled to as a student.

Bank of America and its affiliates do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

52 

Now let's review what we learned.

1. Having domestic bank accounts up and running can make for a smoother adjustment for international students.
2. Consider applying for a checking and savings account as well as a credit card.
3. Be on the lookout for student scams like fake apartment listings, bogus scholarships and unpaid tuition claims.
4. Every international student on an F-1 visa is required to file a tax return on income like wages, salaries, tips, interest, some scholarships and grants.
5. There are several tax credits and deductions you may be entitled to as a student.



Auto and home loans

To buy or lease a car

Better Money Habits[®]

Unless you're living in a major city, there's a good chance you'll need a car to get around.

Buying a car

- You'll own the car once payments are made
- Traditionally, your monthly payments will be higher
- You have the option to sell or trade
- You can drive as many miles as you'd like
- Loan terms range from 3 to 7 years

VS

Leasing a car

- You'll return or trade in the car for a new lease once your term is over
- Traditionally, your monthly payments will be lower
- You're restricted to mileage, anywhere from 10,000 to 15,000 miles per year
- A typical lease is 2 to 7 years

54 

Unless you're living in a major city, there's a good chance you'll need a car to get around. Let's go through the pros and cons of buying and leasing a car.

Buying a car

- You'll own the car once the payments are made
- Traditionally, your monthly payments will be higher
- You have the option to sell or trade
- You can drive as many miles as you'd like
- Loan terms range from three to seven years

Leasing a car

- You'll return or trade in the car for a new lease once your term is over
- Traditionally, your monthly payments will be lower
- You're restricted to mileage, anywhere from 10,000 to 15,000 miles per year
- A typical lease is two to seven years

Key terms to know about auto loans

Better Money Habits[®]

- **Budget:** Review your budget to see what you can realistically afford and whether you can afford a down payment
- **Preapproved financing:** Consider getting preapproved for an auto loan by a bank, credit union or online lender before car shopping
- **Lenders:** If you need to finance, shop around to find the best rate
- **Term:** A longer term means smaller monthly payments
- **Interest rates:** The annual percentage rate (APR) is the interest rate plus any other fees that will add to your monthly payment
- **Depreciation:** A new car's value drops when you drive it off the lot



Insurance

Whether you're buying or leasing, you'll need to carry auto insurance. Compare different companies to find the best rates ahead of time.

55



- **Budget:** Review your budget to see what you can realistically afford and whether you can afford a down payment. Also consider whether you plan to trade in an existing automobile. Knowing this information will help you determine the down payment.
- **Preapproved financing:** You can get preapproved for an auto loan by a bank, credit union or online lender before you even begin car shopping. Knowing your approved interest rate and how much you can borrow ahead of time help you budget.
- **Lenders:** If you need to finance, shop around to find the best rate.
- **Term:** This is how long you have to pay back your loan. A longer term means smaller monthly payments but also more interest paid over the life of the loan.
- **Interest rates:** The annual percentage rate (APR) is the interest rate plus any other fees that will add to your monthly payment. In general, the shorter your loan term and the higher your credit score, the lower your interest rate.
- **Depreciation:** A new car's value drops when you drive it off the lot. Be mindful of the loan size compared to the car's expected value over time.

Whether you're buying or leasing, you'll need to carry auto insurance. Compare different companies to find the best rates ahead of time.

The costs of an electric vehicle (EV)

Better Money Habits®

- The initial investment may seem higher
- Automakers have expanded EV offerings to make them more affordable
- Tax credits and incentives can help lower the costs of an EV
- Employers may offer incentives or reimbursements for EV purchases



56 

- If you're looking to reduce your carbon footprint, purchasing an electric vehicle (EV) may sound like an easy decision, but for many would-be buyers, it's complicated by concerns about the costs. The initial investment may seem pricey, but it could help you save money — and the environment — over the longer term.
- While it's true that EVs have historically cost more than their fuel-powered equivalents, many manufacturers have released more affordable models in recent years, bringing the average price down.
- Tax credits can help lower the costs of an EV. Certain federal and state tax incentives may be available for qualifying EVs and vehicle owners. (Tax rules continue to change, so be sure to visit the IRS website for details.)
- Similarly, check if your company offers partial reimbursements for EV purchases. Remember, you could also lease an EV, as certain manufacturers offer their own financial incentives.

Renting vs. buying a home

Better Money Habits®

Owning a home is a financial commitment that requires planning ahead. If you're new to the country, renting may be a more realistic option. Here are the overall main differences between renting and buying.

Renting

- You'll pay less upfront, but will most likely need the first and last months' rent and often a security deposit
- If repairs are needed, your landlord will likely be responsible
- Rent may increase over time
- Relocating will be easier

VS

Owning

- Most mortgages require a down payment and closing costs
- You can customize your home, but you'll be responsible for repairs
- Home values can rise and fall over time
- You may build equity, which can increase your personal wealth

57 

Owning a home is a financial commitment that requires planning ahead. If you're new to the country, renting may be a more realistic option. Here are the overall main differences between renting and owning.

Renting

- You'll pay less upfront but will most likely need the first and last months' rent and often a security deposit.
- You may not be able to update or personalize your living space as much as you'd like. But if repairs are needed, your landlord will likely be responsible.
- Rent may increase over time.
- Relocating will be easier. If you think you might move cities or change jobs in the near future, you'll have less responsibility leaving a rental.

Owning

- Most mortgages require a down payment and closing costs.
- You can customize your home, but you'll be responsible for repairs.
- Home values can rise and fall over time.
- You may build equity, which can increase your personal wealth.

Landlord vs. lender

Better Money Habits®

The types of information that will be requested of you:

	Landlord	Lender
Employment status	✓	✓
Credit report	✓	✓
Background check	✓	
Financial obligations		✓
Tax returns and/or pay stubs	✓	✓
Other debt		✓
References	✓	

58 

When it comes to buying or renting, the types of information required are similar. Both will want to verify your identity through a valid form of ID, as well as your income and ability to pay by a credit report and/or pay stub or tax return.

Often, a landlord will want additional information in the form of a background check. If you do have a criminal record, the landlord will make a decision based on the offense and amount of time since the crime.

Mortgage lenders are more likely to want more details about assets, additional financial obligations and debts.

When buying a home with family

Better Money Habits®

The decision to purchase a home together can be an affordable way to share homeownership costs, ease the burdens of caregiving and invest in real estate. Here are some important financial considerations to keep in mind:

- Understand the needs of each person involved
- Decide who will contribute to purchase
- Decide who will be listed on the property deed as the “official owners”
- Set and agree on a budget
- Know the financing process and down payment requirements
- Establish clear long-term goals
- Consider your exit strategy



59



For many families, the decision to purchase a home together can be an affordable way to share homeownership costs, ease the burdens of caregiving and invest in real estate. If you're thinking about buying a home for multigenerational living, here are some important financial considerations to keep in mind.

Understand the needs of each person involved. Before you begin hunting for the right home, compile a list and discuss everyone's needs, the desired neighborhood and amenities. If home renovations or room additions are needed, you'll want to account for those additional expenses.

Decide who will contribute to purchase. Everyone involved in the homebuying process should figure out their specific financial limits. It's important to discuss how each person's contribution affects the ownership stake in the property. For example, does the family member paying the down payment get a larger ownership share of the home?

Decide who will be listed on the property deed as the “official owners.” Many families choose to make their ownership stakes equal, making them “joint tenants.” Other families adopt a “tenants in common” agreement, in which each person can pass on their ownership through a will. A lawyer can review your agreement and put each person's subsequent financial obligations and ownership stake in writing.

Set and agree on a budget. After you've decided who will pay for and own the home, it's a good idea to agree on the budget and how much home you can afford as a family. Be sure to factor in ongoing expenses like property taxes, insurance, maintenance and homeowners' association fees when determining how much you can afford to spend on the house itself.

Know the financing process and down payment requirements. Your mortgage company may have different down payment requirements. While traditional mortgages generally require a down payment in the 15% to 20% range, your down payment could be lower if you have co-owners who plan to live in the house.

Establish clear long-term goals. If you are buying with family, make sure your home ownership goals are aligned. If one family member decides they need to sell their share of the house, other family members may consider buying the other out of their stake.

Consider your exit strategy. Things can get complicated quickly in a home with multiple family members. In the case of an unexpected death, if you are “joint tenants,” the ownership stake of the deceased person would go to the other owners, whereas a “tenants in common” arrangement means parties can pass on their ownership through a will. If you are simply selling because the next real estate opportunity has come along, your share of the sale proceeds should reflect your previously declared share.

The home loan process

Better Money Habits[®]

Step 1: Prepare your finances — how much can you afford?

Step 2: Prequalify for the right loan — meet with a lender

Step 3: Call a real estate agent — ask to see homes in your budget

Step 4: Lock in your mortgage — apply and lock in your interest rate

Step 5: Prepare to close — have your finances in order



60



Step 1: Prepare your finances — how much can you afford? Before you begin your search for a home, figure out what you can realistically afford. Take stock of your income, debt, savings and other financial obligations. Then use a home affordability calculator to get an idea of the home price and monthly mortgage payments that would work for your budget.

Check your credit score and compare your debt to income. A good rule of thumb is for your total monthly debt payments to be less than 36% of your gross monthly income. You should be able to comfortably pay your full mortgage payment (including taxes and insurance) each month. But you'll also likely need money upfront for a down payment and closing costs.

Step 2: Prequalify for the right loan — meet with a lender. The next move is to meet with a lender to discuss loan options and current interest rates. The lender can provide you with a prequalification letter, which will indicate the maximum amount the lender is willing to lend you via a mortgage. You may also want to consider getting preapproved for a mortgage, which is an offer to lend you a specific amount that is good for a certain amount of time, usually 90 days. Neither of these are a commitment to lend, but they can help show sellers you're serious when you're ready to make an offer.

Step 3: Call a real estate agent — ask to see homes in your budget. Once you know what you qualify for, save time and energy by narrowing your search to homes that fit your financial criteria. Try to preview properties online and have your real estate agent show you only listings that are right for your needs and your budget.

When you find a match, your agent can help you make an intelligent, informed offer. If your offer is accepted, a purchase contract is drawn and typically contains a good-faith deposit ("earnest money") to show your commitment, usually between one percent and three percent of the sale price.

Step 4: Lock in your mortgage — apply and lock in your interest rate. After an offer is accepted, it's time to apply for a mortgage. You typically have 45 to 60 days to fulfill your purchase contract — so you will need to act fast, locking in your interest rate and giving your lender time to order a home appraisal.

Step 5: Prepare to close — have your finances in order. Once your mortgage is approved and at least three business days before you close, you will receive a closing disclosure. It lists the fees you must pay, which typically total 2% to 5% of the home price. Read this closely and tell your lender if anything seems off. Then, bring your ID and any payments that are due to the closing. If you have a co-signer for your home loan, that person needs to be there.

Once the loan closes — which may take a couple days — the funds go to the seller, you get the keys and the home is yours!

Key takeaways

Better Money Habits[®]

1

There are advantages and disadvantages when it comes to buying or leasing a car. It's good to be informed before you start looking around.

2

You may be entitled to tax credits and incentives to help lower the costs of purchasing an electric vehicle (EV).

3

If you're new to the country, renting may be a more realistic option for housing. But further down the road, owning may help you build equity and increase your personal wealth.

4

It's important to consider the needs and responsibilities of each person involved if you purchase a home with family.

5

Prepare for the steps involved in the home loan process from how much you can afford to the type of mortgage that may work best for you.

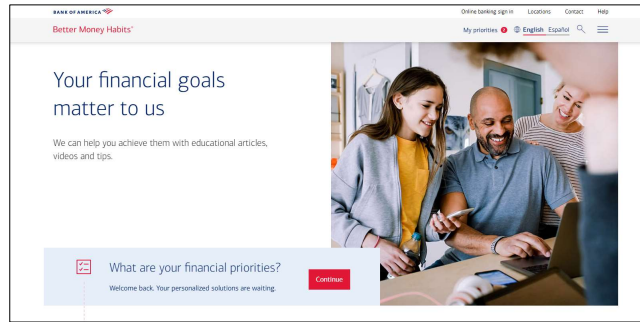
61 

Now let's review what we learned.

1. There are advantages and disadvantages when it comes to buying or leasing a car. It's good to be informed before you start looking around.
2. You may be entitled to tax credits and incentives to help lower the costs of purchasing and electric vehicle (EV).
3. If you're new to the country, renting may be a more realistic option for housing. But further down the road, owning may help you build equity and increase your personal wealth.
4. It's important to consider the needs and responsibilities of each person involved if you purchase a home with family.
5. Prepare for the steps involved in the home loan process from how much you can afford to the type of mortgage that may work best for you.

Conclusion

Better Money Habits®



[BetterMoneyHabits.com](https://www.BetterMoneyHabits.com)

62 

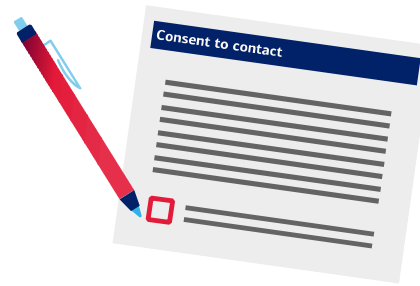
We've covered a lot today. I hope you have gained the knowledge you need to bank with more confidence. Most of the topics we talked about can be found on [BetterMoneyHabits.com](https://www.BetterMoneyHabits.com). It's a site put together by Bank of America to help people, wherever they are in their financial journey, make sound decisions.

Thank you for coming.

Consent to contact card

Better Money Habits[®]

- Gives you flexibility to reach out at your convenience
- Just scan before you leave, and we can set up a time that works for you



63 

Thank you

The material provided on this presentation is for informational use only and is not intended for financial or investment advice. Bank of America and/or its affiliates assume no liability for any loss or damage resulting from one's reliance on the material provided. Please also note that such material is not updated regularly and that some of the information may not therefore be current. Consult with your own financial professional when making decisions regarding your financial or investment management. Bank of America and its affiliates do not provide legal, tax or, accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

© 2024 Bank of America Corporation
PRES-01-24-2454A

Thanks!