

H A N D B O O K

# Savvy Saving Seniors®

## It's in the Cards



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# Savvy Saving Seniors®: It's in the Cards

Most consumers, especially seniors, are looking for ways to better manage and protect their money. Government issued and prepaid cards are becoming a popular alternative to traditional checking accounts and credit and debit cards. However, consumers should be aware of the fees and downsides associated with using these cards. Their features, benefits, fees, and protections all vary.

There are many types of prepaid debit cards, such as these:

- Federal government issued cards such as Direct Express® (Social Security, SSI, Veterans Benefits)
- Electronic benefit transfer (EBT) cards issued by states (SNAP/Food Stamps, TANF)
- Commercial prepaid debit cards
- Gift cards (retail stores)

For a more detailed list and description of various prepaid cards on the market, see Appendix A.

# Icebreaker Quiz

- 1. Direct Express® is a prepaid debit card payment option for people who receive federal benefits and who don't have a bank or credit union account.**
  - a. True
  - b. False
  
- 2. To deliver food stamps or SNAP and other state-administered benefit programs, state agencies set up Electronic Benefits Transfer, or EBT, systems.**
  - a. True
  - b. False
  
- 3. If I have direct deposit, I have no need for a prepaid debit card.**
  - a. True
  - b. False
  
- 4. A prepaid debit card is the same as a credit card.**
  - a. True
  - b. False

- 5. Prepaid debit cards carry the same protections as a debit card, credit card, and checking account.**
- a. True
  - b. False
- 6. A prepaid debit card can be bought and reloaded so that family members can use it for me.**
- a. True
  - b. False
- 7. I can use my prepaid debit card at ATMs.**
- a. True
  - b. False
- 8. I can use my prepaid debit card to pay my bills.**
- a. True
  - b. False
- 9. A prepaid debit card is the same as a debit card.**
- a. True
  - b. False
- 10. All prepaid cards have different fees and costs.**
- a. True
  - b. False

# What You Should Know About Government Benefits Cards

Question	Answer
<p><b>1. Can I get my Social Security benefits on a prepaid card?</b></p>	<p>If you don't have a bank or credit union account, you can get your federal benefits through a Direct Express® card, which is a prepaid debit card. The U.S. Treasury Department recommends this option.</p> <p>With it, you can make purchases at stores that accept Debit MasterCard, pay bills, purchase money orders from the U.S. Post Office, and get cash from an ATM or financial institution that displays the MasterCard acceptance mark.</p> <p>No bank/credit union account or credit check is required to enroll.</p> <p>There are no sign-up fees or monthly account fees. Many other card services are free. Additional information about the Direct Express® card is available at <a href="http://www.USDirectExpress.com">www.USDirectExpress.com</a>.</p> <p>When you sign up to receive your Social Security, Supplemental Security Income, VA, or other federal benefits via the Direct Express® card, your money will be automatically deposited to your Direct Express® card account on your payment date.</p>

Question	Answer
<p><i>Continued.</i></p>	<p>If you don't have a bank or credit union account or simply prefer a prepaid debit card, the Treasury Department recommends that you sign up for the Direct Express® card.</p>
<p><b>2. How do I get a Direct Express® card for my federal benefits?</b></p>	<p>Sign up for the Direct Express® card for federal benefit payments by calling (800) 333-1795, or go to <a href="http://www.USDirectExpress.com">www.USDirectExpress.com</a> or <a href="http://godirect.org">http://godirect.org</a>. <i>http://godirect.org</i> includes information about direct deposit as well as educational videos about both options for benefits.</p>
<p><b>3. As prepaid debit cards have gained in popularity, consumers have been warned of hidden fees associated with some debit card products. How does the fee structure for the Direct Express® card compare to other debit cards?</b></p>	<p>The Direct Express® card is different from other debit cards because it was developed exclusively for people who receive federal benefits.</p> <p>The U.S. Department of Treasury negotiated lower fees for Americans who choose to use the card. On average, Social Security and SSI recipients who pay to cash their checks pay approximately \$6 to cash each check. Some pay \$20 or more. With the Direct Express® card, they can avoid those fees.</p>

Question	Answer
<p><i>Continued.</i></p>	<p>It is possible to use the Direct Express® card for free. While many other prepaid cards have required activation fees, cancellation fees and monthly fees, there are no monthly fees or hidden fees for the Direct Express® card. Most Direct Express® card services are free. The services that have required fees, such as paper statements, are completely optional.</p> <p>In fact, you get one free ATM cash withdrawal for every federal payment you receive. There are almost 50,000 ATMs where cardholders can take out money without paying a fee. There is no ATM owner “surcharge fee” at these ATMs, either. Cardholders can carry over any unused withdrawals into the next month.</p> <p>In addition, there are no fees for you to make purchases at stores, get cash at stores and banks, and check the card’s balance at an ATM, by telephone, or online.</p> <p>There are no overdraft fees, but you can choose to receive free automated text, email, or telephone messages about your deposits and balance.</p>



Question	Answer
<p><b>4. What are the free services?</b></p>	<p>Free services include the following:</p> <ul style="list-style-type: none"> <li>• Buying something at a store or online, getting cash back at a store, or withdrawing cash at a bank or credit union.</li> <li>• One ATM cash withdrawal for each deposit posted to the account each month. For each deposit, the withdrawal must be made by the last day of the month after the deposit was put in the card account. If the withdrawal is made after that time, it will not be free. Additional withdrawals cost \$0.85 each. If you do not use one of the 50,000 ATMs in the Direct Express® card network, the owner of the ATM may charge you a “surcharge fee” to withdraw your cash.</li> <li>• Balance information at ATMs, by phone, or online.</li> <li>• Optional notification of deposits to debit card by phone, email, or text message.</li> <li>• Optional low balance alert when account balances fall below a certain level.</li> <li>• Access to the toll-free customer service number and website 24 hours a day, 7 days a week.</li> <li>• One free replacement card per year (additional replacement cards are available for a fee).</li> </ul>

Question	Answer
<p><b>5. What services are available for a fee?</b></p>	<p>Optional services available for a fee include:</p> <ul style="list-style-type: none"> <li>• More than one ATM withdrawal per deposit (\$0.85 per withdrawal). If you do not use one of the 50,000 ATMs in the Direct Express® card network, the owner of the ATM may charge you a “surcharge fee” to withdraw your cash.</li> <li>• Card replacement after one free replacement card per year (\$4.00 per card).</li> <li>• Monthly paper statement mailed to cardholder (\$0.75 per month).</li> </ul>
<p><b>6. How will I know how much money I have on my Direct Express® card?</b></p>	<p>It is important that you keep track of your deposits and how much you spend using your Direct Express® card.</p> <p>You can obtain balance information at no cost by calling the Direct Express® Customer Service Department, 24 hours a day, 7 days a week, at 1-888-741-1115 (toll-free).</p> <p>You can view your account information at <a href="http://www.USDirectExpress.com">www.USDirectExpress.com</a> or obtain balance information at any ATM that displays the MasterCard acceptance mark, at no cost.</p> <p>You can also request free optional deposit notification and low balance alerts. For a monthly fee of \$0.75, you may request that a monthly paper statement be mailed to you.</p>

Question	Answer
<p><b>7. Can I add my own money to my government benefit card?</b></p>	<p>Generally, no.</p> <p>You cannot add your own money to the federal Direct Express® benefits card. The card will only accept monies paid to you by the federal government.</p> <p>Some state EBT cards will not let you add your own money, either.</p> <p>But these rules can vary from program to program and may change. So you should check the rules for your particular government card.</p>
<p><b>8. Can I transfer money from the Direct Express® card to a checking or savings account?</b></p>	<p>Yes. You may transfer funds from your Direct Express® card account to a personal U.S. bank account.</p> <p>A fee of \$1.50 will be deducted from your Direct Express® card account for each transfer you make. To transfer funds, call the Direct Express® Customer Service Department toll free at 1-888-741-1115 or visit <a href="http://www.USDirectExpress.com">www.USDirectExpress.com</a>.</p>
<p><b>9. Can I pay my bills or pay for internet purchases with my Direct Express® card?</b></p>	<p>Yes, if a merchant accepts Debit MasterCard, you can use your Direct Express® card to pay bills and make internet purchases.</p> <p>You can also use your Direct Express® card to buy money orders at the U.S. Post Office or other locations that accept the card.</p>

Question	Answer
<p><b>10. Do I have to use a government benefit card to continue receiving a benefit?</b></p>	<p>It depends on the rules set by the government agency that has arranged for the card. Some state government agencies only offer two ways to disburse benefits: direct deposit to a bank account or direct deposit to a prepaid card.</p> <p>If you have a bank account, you may choose to have your benefits deposited directly into your bank or credit union account. However, if you do not have a bank or credit union account, a government benefit card may be the only other option. You may need a prepaid card to get some government benefits.</p> <p>The U.S. Department of Treasury also has mandated that all federal benefits and nontaxable payments—like Veterans’ benefits or Social Security benefits—be made electronically. If you apply for federal benefits, you must choose either: 1) direct deposit to a bank or credit union account or 2) Direct Express®.</p> <p>As of March 1, 2013, you must receive benefits by one of these options, unless you are over 90, are mentally impaired or live in a remote location.</p>

Question	Answer
<p><b>11. What is Electronic Benefits Transfer (EBT)?</b></p>	<p>To deliver SNAP/Food Stamps and other state-administered benefit programs, state agencies work with contractors to set up Electronic Benefits Transfer, or EBT, systems.</p> <p>In EBT systems, SNAP/Food Stamp recipients apply for their benefits in the usual way, by filling out a form at their local food stamp office. Once eligibility and level of benefits have been determined, an account is established in the participant’s name, and benefits are deposited electronically in the account each month.</p> <p>A plastic card, similar to a bank card, is issued and the recipient receives or chooses a personal identification number (PIN) to access the account. Recipients may change the PIN number at any time and are offered ongoing training if they have any problems accessing the system.</p> <p>EBT eliminates the paper food stamp system. By eliminating paper coupons which could be lost, sold, or stolen, EBT may help cut back on fraud.</p> <p>All states are using EBT as an alternative for issuing SNAP/Food Stamp funds and, in some cases, for other programs such as USDA’s Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and the Temporary Assistance to Needy Families (TANF) program.</p>

# Tips and Tricks for Managing Your Government Benefits Cards

- ✓ Look closely at the fee summary, so you can be sure to use your card wisely and avoid fees whenever possible.
- ✓ Keep your fees low by using an ATM in the Direct Express® card network to make your one free withdrawal. For later withdrawals, use an ATM in the Direct Express® card network to reduce the amount of fees that you pay.
- ✓ Avoid fees by using your Direct Express® card at stores to pay for purchases instead of getting cash at an ATM.
- ✓ When you make a purchase using your PIN number at grocery stores and many other places, you also can get cash back for free.
- ✓ You can go to any bank or credit union that displays the MasterCard acceptance mark and get cash from a teller free of charge.

**Let's look at an example of how you can manage your budget using your government benefits card.**

# Case Study:

## How Mary Manages her Government Benefits Card

### Case Study:

Mary receives Social Security benefits in the amount of \$845 per month. From those funds, she needs to pay the following:

<b>Rent</b>	<b>\$500</b>
<b>Food</b>	<b>\$200</b>
<b>Medicine</b>	<b>\$25</b>
<b>Gas</b>	<b>\$30</b>
<b>Utilities</b>	<b>\$45</b>
<b>Cash</b>	<b>\$45</b>
<b>TOTAL</b>	<b>\$845</b>

**To keep her Direct Express® card costs low, Mary could use her Direct Express® card as follows:**

### **Rent and Utilities**

- Buy money orders at any U.S. Post Office. Mary would only pay a fee to the Post Office for the money orders, but she would not pay any fee to Comerica Bank.
- Use her Direct Express® card without paying any fee to Comerica Bank, if her landlord and utility company accepts Debit MasterCard.

### **Food, Medicine and Gas**

- Make purchases using the Direct Express® card, without paying any fee, at retail locations that accept Debit MasterCard.

### **Cash**

- Get cash back at the grocery store, without paying any fee, when she uses her Direct Express® card with her PIN number to pay for her groceries.
- Withdraw money from a Direct Express® card network ATM, for free. Go to any bank or credit union that displays the MasterCard acceptance mark and get cash from a teller free of charge.

\* Taken from: <http://www.usdirectexpress.com/edcfdtclient/docs/faq.html#12>



# What About Other Types of Prepaid Debit Cards?

Question	Answer
<p><b>1. What is a prepaid debit card?</b></p>	<p>A prepaid debit card usually refers to a “general purpose reloadable” (GPR) prepaid card. However, a prepaid card can refer to a number of different types of cards.</p> <p>They typically carry a network logo (Visa, MasterCard, American Express, or Discover) and look like a typical credit or debit card.</p>
<p><b>2. How do they work?</b></p>	<p>You “load” money on to the card by paying in advance, and then you spend that money by using the card.</p> <p>Generally, you can not spend more than the amount loaded on the card.</p> <p>However, they are reloadable, meaning you can add more money to them and continue using them over and over.</p>
<p><b>3. What are some of the main types of prepaid cards?</b></p>	<p>Most prepaid cards have a network logo on them (Visa, MasterCard, American Express, or Discover). These cards are called “open-loop” cards.</p> <p>If your prepaid card doesn’t have a network logo, you can only use it at one store or group of stores, like a retailer gift card. These are called “closed-loop” cards.</p> <p>A card that you can only use for a specific purpose, like a transit card, is also a closed-loop card.</p>

Question	Answer
<p><b>4. Where can I use them?</b></p>	<p>Prepaid debit cards can generally be used wherever cards for that network are accepted.</p> <p>Some types of prepaid cards also allow you to check your balance and take money out at an ATM.</p> <p>If your prepaid card doesn't have a network logo, you can only use it at one store or group of stores, like a retailer gift card.</p>
<p><b>5. Where can I get one?</b></p>	<p>The cards are sold online and in stores.</p> <p>Some prepaid cards, such as payroll cards or government benefit cards, are provided to you by your employer or government agencies.</p>
<p><b>6. Are there any fees to use a payroll card?</b></p>	<p>Your employer makes arrangements with the financial institution for the terms of the payroll card, including any fees that may be charged to you. Some employers arrange for payroll cards that do not charge you a monthly fee, but there may be other fees associated with using the card. Be sure to read the terms and conditions provided to you before you sign up.</p> <p>In some states, you can't be charged a fee to get your pay. That means you won't be charged a monthly fee to have a payroll card or for the first withdrawal per pay period, which can include all of your pay.</p>

Question	Answer
<p><b>7. What happens if my payroll card is lost or stolen?</b></p>	<p>You have similar protections against loss and theft of your payroll card, or theft of your funds using your payroll card information, as you would if your money were in a bank or credit union account.</p>
<p><b>8. What about gift cards?</b></p>	<p>The difference between most gift cards and prepaid cards is that gift cards are not reloadable. After you use the amount that was originally loaded on them, you cannot load more money on them. You will also use most gift cards at specific stores, not your store of choice. You often can use prepaid cards at an ATM service, where you cannot use gift cards. If your gift card is lost or stolen, your ability to recover any money will depend on the retailer's policies and on whether you registered the card.</p>

# Tips and Tricks for Managing Other Prepaid Cards

- Prepaid cards are popular with lower-income households, seniors, and young people learning to manage money because they can sometimes appear cheaper and easier than traditional bank or credit union accounts. You can use prepaid cards as an alternative to a checking account.
- Make sure you know the fees and costs of prepaid cards, and comparison shop cards as you would any purchase.
- Prepaid card providers generally don't check your credit.
- When you pay with a prepaid debit card at a store with a PIN pad, you may have the option to choose whether to run the card as "credit" or "debit."

Some prepaid cards charge you a higher fee if you choose debit, so check your card agreement to find out what your card's fees are.

The money will come out of your prepaid card account either way. In this case, "credit" and "debit" just have to do with how the payment is processed.

If you choose "debit," you enter the PIN you created when you registered your card. If you choose "credit," you sign your name instead.

- ✓ Contact the card provider right away if your card or your card PIN is lost or stolen.

Your rights to recover money taken from your prepaid card account depend on what type of card it is, what your contract promises, and how quickly you report the loss after you discover it.

Generally, payroll cards and government benefits cards are protected under the same rules that protect your bank debit card. The federal Direct Express® card provides similar protections by contract.

Network-branded (MasterCard or Visa) prepaid debit cards usually give some protection, but you should check your card provider's website to find out the specifics.

If the card that was lost or stolen was a gift card for just one store or retail group, your ability to recover any money will depend on the retailer's policies and on whether you registered the card.

- ✓ I spent \$30 on gas using my prepaid debit card, but my account shows a charge of \$75. Why? This may have happened because the \$30 transaction at the pump takes a few days to process. In the meantime, the gas station may have put a temporary hold of \$75 on your card to ensure the purchase is paid for. Once the transaction is processed, they will remove the temporary hold, and you will be able to use the rest of the money on your card.

Do not use prepaid cards to purchase gas at the pump or for hotels or rental cars. If you do, you may find you will not have access to more funds than the purchase for a long period of time.

# What are Chip and Pin Cards?

Question	Answer
<p><b>1. What is a chip and pin card?</b></p>	<p>A “chip and pin” card adds an extra layer of security and anti-fraud technology for debit, credit, and pre-paid cards. You might also hear this called a Chip, EMV, or Smart card.</p> <p>The card has a small microchip embedded in it, and that is what the card reader terminal uses to access your data. The chip generates a unique code every time you use the card. No technology can prevent all fraud, but the chips are more secure than the traditional magnetic-strip cards. First, it is more difficult to counterfeit a physical card. Secondly, even if a thief gets the transactional code, it’s worthless because it works only one time.</p> <p>All merchants are required to switch to the new chip and pin terminals, so you will be seeing more of them as merchants comply with this new requirement. Many major retailers already have them.</p>

Question	Answer
<p><b>2. How do they work?</b></p>	<p>When you come across a chip terminal, follow 3 simple steps:</p> <ol style="list-style-type: none"> <li>1. Insert your Card into the slot in the terminal. Do not remove your Card from the terminal until the end of the transaction.</li> <li>2. If prompted, provide your signature or PIN to authorize the transaction. Some transactions may not require either.</li> <li>3. Remove your Card from the terminal when prompted.</li> </ol> <p>The biggest difference between the old “swipe” method and the new “chip” method is that you insert the card and leave it in the chip reader during the entire transaction. That might take some getting used to.</p>
<p><b>3. What if the store doesn’t have a “chip reader”? How will I know whether to swipe or insert my card?</b></p>	<p>If the merchant does not accept chip cards yet, you can still swipe it just like a non-chip card. Be sure to follow the prompts on the merchant terminal if you aren’t sure whether you should swipe or insert your Card.</p> <p>If the terminal is chip-enabled, it will prompt you to insert the card instead of swiping.</p>
<p><b>4. Will prepaid cards be switching to chip technology?</b></p>	<p>Yes. Prepaid cards are now using the chip technology just like other cards such as debit cards and credit cards issued by banks, credit unions, or other credit grantors.</p>

# Six Important Q&As About Fees

Question	Answer
<p><b>1. Will I pay a fee for using a prepaid debit card?</b></p>	<p>It depends. Read the terms of the specific card carefully to understand its fees. Don't hesitate to call the card's customer service line or log onto its website to access fee information. Consider how you plan to use the card, and shop for the best deal by asking the card retailer for a list of fees. Be a smart consumer, and compare the costs of different cards. For some types of cards, important information is included on the card itself.</p> <ul style="list-style-type: none"> <li>• Generally you pay fees for using a prepaid debit card, payroll card, or government benefit card.</li> <li>• Store gift cards normally do not charge you a fee.</li> <li>• Usually, you have to pay a fee when you buy open-loop gift cards (such as Visa, MasterCard, and American Express gift cards), but no fees to use them.</li> <li>• Some transit cards charge you a purchase fee, but no fee to reload money or use the card.</li> </ul>



Question	Answer
<p><b>2. Am I charged a fee if I don't use my prepaid debit card?</b></p>	<p>If your card has a regular monthly fee, you may pay that each month no matter what.</p> <p>You also may be charged a fee if you don't use your card for a certain period of time. These fees are generally called inactivity fees, dormancy fees, or maintenance fees. They may kick in anywhere from 90 days to 12 months after you last use your card. Check to see what your card's rules are.</p> <p>“Using” your card in this case may not just include making a purchase—it may also include making cash withdrawals, adding money to the card, and/or checking your card's balance. You may be charged a maintenance or inactivity fee until you use your card again.</p>
<p><b>3. How can I get cash with my prepaid debit card without paying ATM cash withdrawal fees?</b></p>	<p>If you plan to use your prepaid debit card regularly at an ATM, look for a card that doesn't charge an ATM withdrawal fee or provides for a certain number of free ATM withdrawals per month.</p> <p>You also can avoid ATM fees by getting cash back at many stores by using your card as a debit card and entering your PIN. The retailer will set its own limit on the cash back amount.</p>

Question	Answer
<p><b>4. What is a balance inquiry fee?</b></p>	<p>You may be charged a balance inquiry fee if you check your prepaid card balance at an ATM or if you call customer service to ask about your balance. Not all prepaid cards charge a fee to call customer service. Shop around to find out the fees before you select a prepaid card.</p>
<p><b>5. Are there more fees?</b></p>	<p>There may be many types of fees for having and using a prepaid debit card. Some examples of fees are monthly fee, reload fee, transaction fee, bill payment fee, stop payment fee, ATM cash withdrawal fee, balance inquiry fee, additional card fee, inactivity fee, lost or stolen card replacement fee, and card cancellation fee.</p> <p>Not every card has each type of fee. Think about how you plan to use the card and then look at the fees for your expected uses. You may be able to check on the card's website or call a customer service number to find out about the fees.</p>
<p><b>6. What's the best way to compare all the fees?</b></p>	<p>Use the worksheet that follows to compare fees of different cards that you may be interested in. You may want to view a handy graphic for how to compare fees at <a href="http://go.bofa.com/4wy3">http://go.bofa.com/4wy3</a>. The following case study shows how fees can vary greatly across cards.</p>

# Fees to Look for and Compare

Use this worksheet to ask about and compare fees for prepaid debit cards that you are interested in. Do your homework about fees. They vary and change with each card.

Fee Type	Fee: Card #1 _____	Fee: Card #2 _____
Activation or initiation fees		
Point-of-sale transaction fee, or fee added by a store when you use your card as a debit card (you may be able to avoid this fee by using your card as a credit card)		
Initial purchase		
Monthly service fee		
ATM withdrawal and teller cash advance		
ATM balance inquiry at non-network ATMs		
Bill payment fees		
Fees to receive a paper statement		

Fee Type	Fee: Card #1 <hr/>	Fee: Card #2 <hr/>
Fees to call customer service		
Lost/stolen card replacement		
Dormancy fees for not using your card		
Reload at store		
Second card		
Fees to get your remaining funds back when closing the account		
Overdraft or shortage fees		
Foreign transactions		
<b>Total</b>		

# Tips and Tricks Notes

# Appendix A: Different Names/Brands of Prepaid Debit Cards on the Market

Providers market cards under many names. For example, as a “prepaid Visa debit card,” “prepaid MasterCard debit card” or an “online shopping card.” The table below lists a few cards that you may come across on the market. Since the market is rapidly growing, you’ll more than likely see many other brands and types soon.

## Treasury Direct Express® Card

If you don’t have a bank or credit union account, you can get your federal benefits through a Direct Express® card, which is a prepaid debit card. The U.S. Treasury Department recommends this option.

## Payroll Card

Your employer may be able to arrange with a bank or credit union to pay you with a payroll card. Your pay is loaded directly on to your payroll card rather than given to you in the form of a paper check.

## Government Benefit Card

Some states use prepaid cards to pay unemployment benefits, child support and other government benefits. Instead of getting checks, you would receive a government benefit card, and each month your benefit amount would be loaded onto the card.

The amount you can be charged in fees for using the card depends on the contract between the government agency and the bank or credit union providing the card. You should read the cardholder's agreement carefully before using the card.

## Gift Cards

Gift cards are prepaid cards that work until you use up the money on the card. Typically, you cannot add more money to them later. A gift card might have a network logo on it (Visa, MasterCard, American Express, or Discover), which usually means it can be used anywhere that accepts that brand.

A gift card that doesn't have a network logo can only be used at one store or group of stores.

## Rebate Card

These cards might have a network logo (Visa, MasterCard, American Express or Discover) on them, which usually means you can use them anywhere the brand is accepted, or they might be good only at a particular store or group of stores. Generally, you cannot add more money to rebate cards.

## Chip and Pin Cards

A “chip and pin” card adds an extra layer of security and anti-fraud technology for debit, credit, and pre-paid cards. You might also hear this called a Chip, EMV, or Smart card.

The card has a small microchip embedded in it, and that is what the card reader terminal uses to access your data. The chip generates a unique code every time you use the card. No technology can prevent all fraud, but the chips are more secure than the traditional magnetic-strip cards. First, it is more difficult to counterfeit a physical card. Secondly, even if a thief gets the transactional code, it’s worthless because it works only one time.

All merchants are required to switch to the new chip and pin terminals, so you will be seeing more of them as merchants comply with this new requirement. Many major retailers already have them.

## Other Resources

In collaboration with several nonprofits, Bank of America has produced Better Money Habits® to help people who are living paycheck to paycheck stabilize and improve their financial situations. Visit [BetterMoneyHabits.com](http://BetterMoneyHabits.com) to find videos, infographics and articles about building an emergency fund, managing bills, handling overdue debts, and more.



# Notes

# Notes

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