

Advantages of Using Debit Cards

Credit cards may be convenient, and some provide rewards, but with over \$1 trillion in credit card debt, they certainly don't come without risk. As of January 2019, the average debt per household was \$8,292. This number continues to rise.

On the other hand, using cash is a safe option when it comes to staying out of debt. But ATM fees, the risk of losing cash, theft, or the inconvenience of making sure you always have money in your wallet, might not be the perfect choice either.

What is the solution? Debit cards! They are fast, easy and convenient.

Even though debit cards have become widely used, many people are unfamiliar with their advantages and disadvantages. Debit cards look like credit cards, but function like cash or personal checks.

Debit cards can function in two ways:

- **Like an ATM card** for immediate withdrawals of cash
- **Like a check** when buying an item. The money used to pay for the transaction is usually deducted from your account within a day or two depending on when the retailer presents the transaction for payment.

Advantages of a Debit Card

- **Easy to obtain**
When you open a checking account most institutions will issue you a debit card upon request. It allows you easy access to your funds. Anytime. Anywhere.
- **Convenience**
Purchases can be made quickly using a chip-enabled terminal or by swiping the card.
- **Safety**
You don't have to carry cash or a checkbook. Chip-enabled technology encrypts your data information and makes your debit card more secure in comparison to the older swipe technology.
- **Readily accepted**
Grocery stores, gas stations, restaurants, hotels, rental car places, all accept debit cards. As a matter of fact, it might be hard to find a merchant who doesn't take a debit card. You can use your debit card while traveling but make sure you inform your financial institution before leaving town. For your protection, they limit foreign transactions on your card, unless you let them know ahead of time.
- **Fees**
Using your debit card for ATM transactions may be costly if the ATM is not affiliated with your institution. At GOFUCU, our FREE Kasasa Cash and Kasasa Cash Back checking accounts refund nationwide ATM fees*
- **No debt**
With a debit card, the money comes directly out of your checking account, so you avoid spending more money than you have available. With a credit card you borrow funds on credit, paying interest and possibly overspending, leaving disposable cash in your account.

Some Additional Guidelines

- **Guard your debit card against loss or theft**
Keep it in a safe place just like cash, credit cards or checks.
- **If you lose your debit card, notify your financial institution immediately**
They will block your card and can re-issue a new card.
- **Choose a PIN number that only you know**
It is recommended, you don't use your phone number or birthday.
- **Guard your PIN number**
Memorize it and never write it on anything or give it to anyone.
- **Keep receipts**
This will help you verify transactions in your account.
- **Check account balances daily**
If you see anything that is out of the ordinary, you can investigate immediately and contact your financial institution.
- **Use chip-enabled technology**
For the most secure transaction, use a chip-enabled terminal, instead of swiping the magnetic strip.

Disclaimer: Views expressed may not necessarily reflect those of GOFUCU. The information contained herein is for informational purposes only, as a service to the public, and is not legal advice or a substitute for legal counsel, nor does it constitute advertising or a solicitation. You should do your own research and/or contact your own legal or tax advisor for assistance with questions you may have on the information contained herein. Federally insured by NCUA and Equal Housing Lender.

*Limit (2) two Kasasa checking accounts per Social Security number.

Debit cards available pending approval. Kasasa and Kasasa Cash are trademarks of Kasasa, Ltd., registered in the U.S.A. Annual percentage yields are accurate as of 09/05/2017. Rates may change after account is opened. Qualifications for rewards on all Kasasa accounts:

1. Make twelve (12) debit card purchases that post and settle to your account prior to the last day of the month, with your debit card that is associated with your GOFUCU Kasasa account;
2. Be enrolled in and receive e-statements. AND
3. Be enrolled in and log in to Online Banking monthly.

Qualification Cycle = a period beginning one day prior to the first day of the current statement cycle through one day prior to the close of the current statement cycle. Transactions may take one or more banking days from the date the transaction was made to post and settle to the account.

Kasasa Cash; If qualifications are met each Qualification Cycle: 2.50% Annual Percentage Yield up to \$10,000 account balance. And 0.50% Annual Percentage Yield on balances over \$10,000. All balances earn 0.01% Annual Percentage Yield if qualifications are not met.

Domestic ATM withdrawal fees incurred during a qualification cycle will be reimbursed (up to a maximum of \$4.99 per single transaction) and credited to the account on the last business day of the month.

Minimum to open Kasasa Cash checking and Kasasa Cash Back checking is \$25.