

Online Banking

Online banking can be a safe way to simplify your life. It's worth considering if:

- You're comfortable with the Internet.
- You pay enough monthly bills by check that you would like to do it more efficiently.
- You use popular recordkeeping software like Intuit's Quicken or Microsoft Money that allows you to simplify bill-paying and track expenses. Many banks now make it easy to directly connect your Quicken or Money files with your online banking files, so that your online banking is recorded in your home software.

Differences Between Online Banks and Online Banking

An online bank exists strictly online, which means there is no branch to visit to make deposits or talk to a banking officer. Today, most traditional banks offer online banking, which means you can go to a branch or conduct banking over the Internet.

Comparative Services

	Online Banking	Online-Only Banks
Open acct online	yes	yes
Monthly or usage fee	depends (ask)	depends (ask)
Access info 24/7	yes	yes
Enter same info only once	yes	yes
Links to Quicken or MS Money	most	most
Built-in recordkeeping	some	some
See "real time" information	some	some
Schedule future auto payments	yes	yes
Transfer between accounts	yes	yes
Balance inquiries	yes	yes
Bill payments	yes	yes
Stop payments	yes	yes
Apply for a loan	some	some
Apply for credit card	some	some
Telephone customer service	yes	most
In-person assistance	yes	no
In-person deposits	yes	no
Travelers checks	yes	unlikely
Cashiers checks	yes	unlikely
Withdrawals	branch or ATM	ATM or mail

Banking Tasks You Can Do Online

Here are some of the things you can do using most online banking services:

- Open the account online
- Check your balance and activity any time
- Track and verify paid or disputed bills
- See payment reports, sorted by payee or month
- See lists of pending payments
- Transfer funds between linked accounts
- Apply for and make payments of loans
- Pay bills from any computer with an Internet connection
- Enter payee information once, and it will be entered automatically every time thereafter
- Monitor pending payments and stop or revise them, if need be
- Schedule future payments automatically, so you won't forget to pay them
- Schedule recurring bills to be paid automatically each time
- Receive email notices when a bill is paid
- Download reports to your computer, even directly into other software, such as Intuit's Quicken and Microsoft Money

What about fees?

Some banks charge a monthly fee for banking online. Others have a fee but waive it when you keep a minimum balance. Still others have no fee. Some banks charge a fee for each bill paid beyond a maximum monthly amount or for other situations.

Be sure to ask for a list of fees—and whether there are conditions (such as minimum balances) that will cause fees to be waived.

Additional Resources

Get *Tips for Safe Banking Over the Internet* from FDIC at <http://www.fdic.gov/bank/individual/online/safe.html>