

Opening a Bank Account

Why Open a Bank Account in US?

A US bank account will make managing your finances a lot easier, and you should set one up as soon as you arrive. You can deposit your financial aid awards, loans and stipends, all of which are typically paid to you by check, as well as money from home. You can pay all of your bills by check, and with most bank accounts, you can even manage and make all of your bill payments online. In addition, most banks now issue debit cards with a MasterCard or Visa emblem, which means you can use the card to make purchases against your account anywhere that accepts credit cards, including online and in stores. Certainly a bank account will make budgeting a lot easier because it allows you to keep track of payments and purchases.

How Do I Open a Bank Account?

Even though banks now advertise that they allow new customers to open accounts online or by phone, as an international student, plan to open your account in person at a local branch. If you need additional services it's always good to have established a face to face relationship. When you go, make sure you bring your passport and the funds you want to deposit. In addition, you should bring as many of the following documents or ID's as you have. In addition to your passport you will likely need at least one of the following: your school ID, your state driver's license or ID, your visa, your I-20, and your I-94. You do not need to have a social security number to open an account. If a bank asks for it, offer up your passport and any of the other ID documents mentioned above.

*Many schools have relationships with banks where they refer their international students. Ask your international student office or check their website for any guidance to a specific bank. If a bank is accustomed to seeing international students for new accounts, things will go smoother.

How Do I Choose a Bank and an Account?

Banks offer many different financial services. You may wish to compare the services and costs of several banks before choosing one at which to open an account. If your school has a relationship with a particular bank for all of its international students, you should certainly consider that bank first. You will need a checking account for proper money management (for writing checks, online bill payment, debit cards, etc.), and if you have large amounts of money just sitting in your account, it may make sense to open a savings account as well. Investigate the accounts the bank has available, with an eye towards how much it could cost you to keep the account. Find out whether the bank offers interest on checking accounts, what the interest rate is on savings accounts and whether the account offers overdraft protection. Hopefully you never write a check, accidentally, for more than you have in your account - but if you do, does the bank pay the check and just fine you, or do they refuse payment to the company you wrote the check to ("bounce" the check)? If so, both the company AND the bank will fine you and that adds up quickly!

Ask how long it will take to "clear" a check - that is, how long from the time a check is deposited in your account until the time you are allowed to withdraw the funds. Typically wired funds are available immediately, but the "hold" on checks (local, out-of-state and foreign) varies by state and by bank, and can be several days to a week or even longer.

Most major US banks offer "student checking", accounts and services designed specifically for students

Initial Money Needs on Arrival

You should evaluate your needs for the first few weeks of school - most schools suggest bringing about \$2,000 in readily available funds. You can bring this amount in traveler's checks, or better yet, bring your foreign bank card, after checking that it will work in US ATMs (automated teller machines), to access an account at home. All other funds can be wired to your new US bank account after you arrive. Remember, if you have a scholarship, assistantship or another form of employment, it will typically take a month or more to get your first payment, so make sure you have enough money to live for your first few weeks.

Before you arrive, find out from your bank at home how to wire money to the US, and how much it will cost in fees. After you have set up your new bank account, you can arrange the transfer by providing your home bank with your US bank details. You will need to provide your account number, the US bank's name and address, and the US bank's ABA number. Wire transfers typically take between 2-5 days. Ask your home bank for a confirmation once the funds are wired.