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Name _____
Section 3210-05
Student M# _____
Row# _____ Seat# _____

FIELD RESEARCH PAPER

Econ 3210-05

Spring, 2010

Professor William F. Ford

I. Instructions

You are to complete the following field research assignment; it is due in Shannon Hardebeck's office (BAS N330) by **1:00 p.m., on Thursday, April 8, 2010**. You can add up to **5** points to your final grade in the course by completing this assignment. The points assigned will be based on the grade you earn: A = **5** pts; B = **4** pts; C = **3** pts; less than C = **0** pts.

II. The Assignment

SHOPPING FOR BANKING SERVICES

This assignment involves comparing the prices charged by three local financial institutions (**FIs**) for checking, saving, credit card and other services. The first step is to select **three** local **FIs**, near where you live and/or work. **Include at least one commercial bank (CB) and one S&L or Credit Union (CU) in your sample.**

Make a list, in the space below, of each of the three **FIs** you visited. Be sure to fill in **all** the blanks, as **no credit will be given if this information is either missing or incomplete:**

	FI #1	FI #2	FI #3
1. Name of FI			
2. Its address			
3. Name/Title of the person you spoke with			
4. That person's office phone number			
5. Date & Time of your visit			

Next, fill in the attached form showing what each of the three **FIs** charges for each of the services listed. **ALSO, STAPLE THE BUSINESS CARDS OR STATIONERY OF THE THREE PEOPLE YOU INTERVIEWED TO THE UPPER LEFT CORNER OF THIS PAGE (No credit will be given without this).**

III. A COMPARISON OF RETAIL BANKING SERVICE CHARGES

	FI #1	FI #2	FI #3
LIST OF SERVICES	(name)	(name)	(name)
I. <u>Checking accounts & ATMs</u>			
A. Does this FI offer completely free checking accounts (i.e. no minimum balance, no monthly fees or charges)?	Yes No (circle one)	Yes No (circle one)	Yes No (circle one)
B. If it does <u>not</u> offer free checking, what is the monthly service charge on accounts with a low minimum balance (e.g. under \$500)?	\$ _____	\$ _____	\$ _____
C. How much do they charge to process a "returned item" (i.e. a bounced check or overdrawn debit card transaction)?	\$ _____	\$ _____	\$ _____
D. How much do they charge for each ATM withdrawal when you use their machines ?	\$ _____	\$ _____	\$ _____
E. How much for an ATM withdrawal on another bank's machine?	\$ _____	\$ _____	\$ _____
F. How much do they charge for the first supply of checks you buy, assuming you purchase the plainest design available?	\$ _____	\$ _____	\$ _____
II. <u>Traveler's Checks</u>			
What is their fee for selling you traveler's checks? (Note that they might charge a flat fee or a % of face value of the checks you buy).	\$ _____ or _____%	\$ _____ or _____%	\$ _____ or _____%
III. <u>Credit Cards</u>			
A. What is their annual fee , in dollars, for a normal VISA or MASTERCHARGE CARD (<u>not</u> the gold or platinum card)?	\$ _____	\$ _____	\$ _____
B. What rate of interest do they charge if you do not pay your credit card bill, in full, within the "grace period"? If variable, show the range of rates.	_____ %	_____ %	_____ %
C. Does the rate they charge depend on your FICO or your ADVANTAGE credit score?	Yes No (circle one)	Yes No (circle one)	Yes No (circle one)
IV. <u>Savings Accounts</u>			
A. What rate do they pay on a normal passbook or statement-type savings account with a balance under \$1,000?	_____ %	_____ %	_____ %
B. What is their rate on a 1 year CD , with \$1,000 or more invested?	_____ %	_____ %	_____ %
C. On a 3 year, \$5,000 CD ?	_____ %	_____ %	_____ %

LIST OF SERVICES	FI #1	FI #2	FI #3
	(name)	(name)	(name)
V. <u>Auto Loans</u>			
A. What rate do they charge for a 48 month loan on a new car? If the rate is variable, show the range of rates.	_____ %	_____ %	_____ %
B. Does the rate they charge depend on your FICO or your ADVANTAGE credit score?	Yes No (circle one)	Yes No (circle one)	Yes No (circle one)
C. Is there a loan origination or application fee?	Yes No (circle one)	Yes No (circle one)	Yes No (circle one)
D. If so, what is the fee (in \$ or as a % of loan amount)?	\$ _____ or _____ %	\$ _____ or _____ %	\$ _____ or _____ %
VI. <u>Home Loans</u>			
A. What rate do they charge for a 30-year fixed rate mortgage?	_____ %	_____ %	_____ %
B. What rate do they charge for a 15-year fixed rate mortgage?	_____ %	_____ %	_____ %
C. What rate do they charge on a 1-year adjustable rate mortgage (ARM)?	_____ %	_____ %	_____ %
D. Do the rates they charge on mortgages depend on your FICO or your ADVANTAGE credit score? If yes, show the range of rates for each kind of mortgage.	Yes No (circle one)	Yes No (circle one)	Yes No (circle one)
E. How many “discount” and/or “origination” POINTS do they charge on a 1. 30-year fixed rate loan 2. 15-year fixed rate loan 3. 1 year ARM	_____ _____ _____	_____ _____ _____	_____ _____ _____

IV. Your Decision(s)

Which **FI** or **FIs** would you choose for the services you want? Explain exactly **why** you would choose that **FI** or **FIs**, based on your evaluation of the cost and/or quality of the services they offer. (**Please attach a one-page essay written on your word processor**).