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Stray Services: Extra help from your financial institution

You might think of financial institutions as nothing more than a place to deposit checks, check balances, and apply for a car loan or a mortgage. However, they're more than oversized piggy banks: financial institutions offer plenty of other services, and all from an establishment that you already trust with your money.

Super safes

Beyond the lobby, teller windows, and loan offices, your financial institution likely has a room with what seem to be endless rows of little doors. But it's not Alice in Wonderland: they're safe deposit boxes. A fireproof safe can cost hundreds or even thousands of dollars, so it might make "cents" to rent a secure place to store those personal valuables. Plus, a financial institution is likely to have better security than your house.

Safe deposit boxes aren't just used to stash diamonds and piles of gold: irreplaceable pictures, family heirlooms, certificates of deposit, stocks, and property deeds are just a few items that could be kept there. A good rule of thumb: if it's hard to replace and not needed at the drop of a hat, a safe deposit box might be a good place for it. However, articles kept in a safe deposit box are not covered by federal insurance, so make sure your items are covered by a personal insurance policy if needed.

The impartial party

Financial institutions can also help with setting up and servicing an escrow account. An escrow account acts as a neutral third party when exchanging money or assets. One party pays into the account, and the second party doesn't receive this payment until certain conditions are met. This way, the second party is ensured of payment, and the first party's money is protected until the second party meets the specified conditions.

If that sounds confusing, here's how it breaks down. Escrow accounts are commonly used when taking out a mortgage, and many mortgage companies require an escrow account if a mortgage is approved with less than a 20% down payment. When you make a monthly mortgage payment, the amount for homeowners insurance premiums and property taxes is collected and held in an

escrow account to automatically pay those bills when they are due (usually once or twice a year).

Escrow can also be used for holding original documents, deeds, titles, securities and funds for business transactions until conditions of the transfer or exchange are met.

Can I get a witness?

When you're selling a car, you'll need to sign the title and a release of liability form. You might also want a third party witness to verify identity and help deter fraud--that's where the services of a notary come in. A notary witnesses the signing of important documents and validates the identity of the parties involved.

When it comes to processing important documents such as establishing powers of attorney, the services of a notary are imperative. Many financial institutions provide notary services for free.

Bottom Line: Your financial institution does more than set up a checking account and give you a debit card. It's a comfort that, if any of these services are needed, they're offered by an institution you already know you can trust.

Sources: bankrate.com; mint.com; lendingtree.com; nationalnotary.org; fanniemae.com; edmunds.com; jhfcu.org; ncsecu.org; iucu.org; jhfcu.org; state.oh.us; moneycentral.msn.com; ncu.gov; fdic.gov; umuc.edu

Stats

There are 4.8 million notaries in the U.S.

Source: nationalnotary.org

The average use car transaction was \$8,244 in 2008.

Source: cnwmmr.com

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