

# Banking in Canada

## Welcome to Toronto Package

### Opening a Bank Account

Opening a Canadian bank account when you arrive is important as it provides you with a safe place to access your money and a form of Canadian identification early in the settlement process

<b>There are 3 basic account types for personal use</b>	
Chequing Account	<ul style="list-style-type: none"><li>• Deposit and withdraw money whenever you need to</li><li>• This is the first account you'll want to set up</li></ul>
Savings Account	<ul style="list-style-type: none"><li>• To deposit cash that is not required for day-to-day expenses</li><li>• You accumulate interest on your savings; options include high interest savings accounts available in Canadian and U.S. Dollars</li></ul>
U.S. Dollar Account	<ul style="list-style-type: none"><li>• Allows you to hold funds in U.S. Dollars</li></ul>

Adapted from: <http://www.rbc.com/canada/welcometocanada/pdf/understanding-banking-in-canada.pdf>

### What is the Difference Between Banks and Credit Unions?

Banks and credit unions are places where you can safely deposit your money. Banks and credit unions are set up differently. Here are some of the differences:

<b>Banks</b>	<b>Credit Unions</b>
For-profit corporation, Regulated Federally (i.e. Canada)	<ul style="list-style-type: none"><li>• Not-for-profit organization, Regulated Provincially (i.e. Ontario)</li></ul>
Owned by shareholders, shares sold on stock market	<ul style="list-style-type: none"><li>• Membership allows you to vote.</li><li>• You can help govern the credit union through committees/board of directors.</li><li>• Credit unions are owned by members.</li></ul>
No membership required to open account	<ul style="list-style-type: none"><li>• Must buy a share and become a member first to open an account</li></ul>

Adapted from Social and Enterprise Development Innovations, The Canadian Centre for Financial Literacy



When online banking, look for the websites that start with <https://> The 's' means the information is safe and secured: the information is broken apart and sent to the bank and then put back together

### Opening a Bank Account

You have the right to open a bank account even if:

- You don't have a job
- You don't have money to put in the account right away

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### What Kind of Identification is Needed to Open a Bank Account?

You can show 2 pieces of I.D. from the following list:

- Canadian driver's license
- Canadian passport
- Canadian birth certificate
- Social Insurance Number (SIN) card
- Old Age security card
- Certificate of Indian status
- Canadian Citizenship or Certificate of Naturalization
- Permanent Resident Card or Citizenship and Immigration Canada Form IMM 1000, 1442 or 5292

Or you can show 1 piece of ID from the list above and 1 piece from the list below:

- Employee I.D. card
- Current foreign passport
- Canadian National Institute for the Blind (CNIB) client card with your photo and signature

### What are Credit Reports?

Credit reports are used by a lender (like a bank) to know your credit history or your ability to repay a debt. Lenders may ask for a credit report when you are:

- Applying for credit
- Applying to rent an apartment
- Applying for a job
- Applying for insurance, mortgage, loan, etc.
- Applying for certain services, ex. cell phone plans

Credit bureaus are private companies that compile and hold information about your credit use. There are 2 in Canada: Equifax and Transunion.

You can get a copy of your credit report for free once a year by mail, in person or anytime online for a fee.

Credit Reports through Equifax Canada:

5650 Yonge St. (Corner of Finch and Yonge)

416-227-8500

[www.equifax.ca](http://www.equifax.ca)



**Credit Score** Make sure you have given permission to view your credit report to anyone listed in your inquiries. No one should see your credit report unless you say they can. Too many inquiries can have a bad effect on your score.