

How banks and credit unions work

Account comparison

Premium lesson companion

Teaching brief • applied vocabulary • guided workbook • knowledge check • answer guide

Name _____

Date _____

How banks and credit unions work

Depository institutions hold accounts, facilitate payments, and may extend credit. Ownership, eligibility, service models, and product terms differ.

The deeper idea

Institutions may offer similar products while differing in eligibility, ownership, service channels, pricing, and governance. Fit depends on how the account will actually be used.

Learning objectives

- Explain depository institution in the context of how banks and credit unions work.
- Distinguish credit union from an assumption or promotional summary.
- Show how deposit changes cost, timing, control, responsibility, or risk.
- Complete the account comparison using traceable source information.

Vocabulary in action

depository institution	Locate it in source material and state what it measures or governs.
credit union	Use it to make the comparison concrete instead of relying on a label.
deposit	Name who carries responsibility, what triggers it, and which control makes it visible.

Move from information to a responsible next step.

1. Define the exact question

State the purpose, deadline, and consequence of delay. Connect the question directly to how banks and credit unions work.

2. Gather governing evidence

Collect current agreements, statements, official disclosures, operating records, or program instructions. Record the source and date.

3. Apply the vocabulary

Locate depository institution, credit union, and deposit in the real document or process. Translate each into a dollar, date, action, control, or responsibility.

4. Test a difficult case

Change one important assumption - timing, volume, cost, income, access, or support - and explain whether the plan still works.

5. Record the decision

Choose proceed, revise, compare, seek qualified review, or stop. Name the next action, its owner, and the review date.

Applied scenario

A learner must make this decision this month. The learner gathers governing records, locates depository institution, credit union, and deposit, and completes the assignment. The decision pauses if the difficult-case test exposes an obligation or operating risk that cannot be managed.

Account comparison

Compare one bank and one credit union using official disclosures and your actual needs.

Purpose: What exact decision does how banks and credit unions work support?

Evidence: Which source documents prove the facts? Include dates.

Terms: Where do depository institution, credit union, and deposit appear, and what does each change?

Stress-test and decision record

Stress test: Which assumption is most fragile, and what happens if it fails?

Decision record: What is the next action, who owns it, and when will it be reviewed?

My recorded status
☐ Proceed ☐ Revise ☐ Compare ☐ Seek qualified review ☐ Stop

Confirm your understanding.

1. State the central teaching in your own words.

2. How do depository institution and credit union work together?

3. What evidence is strong enough to use?

4. What would make the plan pause?

5. What belongs in the finished assignment?

Compare reasoning, not just wording.

1. State the central teaching in your own words.

Institutions may offer similar products while differing in eligibility, ownership, service channels, pricing, and governance. Fit depends on how the account will actually be used.

2. How do depository institution and credit union work together?

Define each, locate both in source material, and explain their combined effect on the decision.

3. What evidence is strong enough to use?

Current, relevant, traceable information from an agreement, statement, official source, operating record, or qualified professional.

4. What would make the plan pause?

A missing governing fact, unsupported claim, unmanageable stress case, or inability to explain the responsibility attached to deposit.

5. What belongs in the finished assignment?

Purpose, sources, term definitions, comparison or calculation, difficult-case result, unanswered questions, responsible owner, and review date.

Education-only boundary

This resource provides general education. It does not submit applications, negotiate with providers, handle customer funds, promise outcomes, or replace individualized guidance from an appropriately qualified professional.