

# What is a Financial Product?

## Savings Account:

- Depositing your own cash (USD) into an account at a bank/credit union and earns a little interest from the bank/credit union because the bank/credit union may loan out your money to other banks/credit unions
- Involves giving use and custody of your funds to the control of a centralized financial institution, with the intention of profiting from the organization's leadership
- Can freely take your cash out or deposit more money in
- Is a financial product
- Is not a security

## Staking:

- Taking your own cryptocurrency and using the blockchain to validate (confirm) other transactions and, thus, receiving additional cryptocurrency
- Does not require cash or other monies being put in or out
- Involves obligations, which may include lockup periods, computing equipment, minimum requirements and uptime requirements to avoid penalties
- Is not a financial product, and does not pay in fiat or a promised interest rate or return
- Is not a security

## Certificate of Deposit:

- Depositing your own cash (USD) into a bank/credit union for a set amount of time (weeks or months) that earns interest because the bank/credit union may loan out your money to other banks/credit unions
- Involves giving use and custody of your funds to the control of a centralized financial institution, with the intention of profiting from the organization's leadership
- Cannot freely take out your cash or you pay penalty
- Cannot deposit more money in
- Is a financial product
- Is not a security

## Checking Account:

- Depositing your own cash (USD) into an account at a bank/credit union
- Involves giving use and custody of your funds to the control of a centralized financial institution
- Usually does not earn any interest
- Can freely take your cash out or deposit more money in
- Is a financial product
- Is not a security