How to Get a Cashier’s Check: A Step-by-Step Guide

The cashier’s check is a powerful means of payment that many people don’t fully understand. So what is it, and how can you get it? Read on to find out.

What is a cashier’s check?

A cashier’s check is a payment tool that a bank or credit union can provide to qualifying recipients. This type of check guarantees payment. While this may sound like a personal check, a cashier’s check isn’t drawn from the funds of the recipient’s own checking account.

The financial institution’s funds back the cashier’s check. This means sufficient funds are always available, that there are often specialized security features and that the check won’t bounce. Once again, don’t get this confused with a money order or a wire transfer.

While the fees for a cashier’s check are higher than those of a money order, these transactions are considered more secure and are available in higher dollar amounts.

5 steps to get a cashier’s check

This seems simple enough, but there can be complications when applying for and receiving a cashier’s check. Follow the five steps below to apply for and receive this type of check.

1. Make sure you have enough funds

You must pay the exact amount for the cashier's check up-front with cash, a debit card or a check. You cannot purchase official checks like cashier's checks with a credit card.

Simply put, you must have enough money to get the check. If you pay with a check, the issuer may require a hold on the funds until the check clears.

Be sure to understand the fees at the company of your choice. Most financial institutions charge a standard cashier's check fee for issuing. The fee may vary depending on the institution and the amount of the check. Typically, they are small fees ranging from $5 to $15, but they can be higher for more significant amounts.

2. Decide where you'll get the cashier's check

Several types of locations issue cashier's checks. While you can stop at a post office for a money order, it's not so simple for cashier's checks. Once again, understand your needs and what the institution of your choice can provide.

Both traditional and online banks typically offer cashier's checks. Bank of America, Wells Fargo and Capital One are great examples of member-FDIC U.S. banks where you can get a cashier's check online or at a physical bank branch. These are often the best place to start, as almost anybody has a bank account and can usually benefit from rewards with their program.

Credit unions may offer cashier's checks to their members, similar to issuing banks. For those with a high credit score, this might be your choice.

Savings and loan associations also offer a wide range of

services, which sometimes include cashier’s checks. Brokerage firms usually specialize in cashier’s checks for security sales. This might be what you’re looking for.

The money service industry is another place where you can find cashier’s checks. These businesses, such as Western Union or MoneyGram, also offer cashier’s checks as a form of payment.

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3. Gather your documentation and account information

Start with the name. This could be your name or the name of the payee (or entity) providing funds for the check. Additionally, some institutions will request a reason for the check to provide documentation for tax purposes.

Also, be ready to provide identification. This usually includes a valid government-issued photo ID, such as a driver’s license or passport.

Finally, have your payment method with you. You will need to pay for the cashier’s check upfront. Some banks may also accept a personal check if the funds are available in the account. Make sure to research your institution on what payment types are available.

4. Ensure you have the correct information about who you’re paying

Check and re-check the information you submit for the cashier’s check. This is part of the security measures institutions must maintain for cashier’s checks.

Once submitted, remember all the information you use in case you need to verify this information later.

5. Go to your chosen institution and ask for the cashier’s check

Finally, once you submit the information and payment, go to your institution of choice to receive your cashier’s check. This process can vary depending on your institution, so look below for the nuances of these different receiving options.

Where can you get a cashier’s check?

The three main places to receive a cashier’s check are at a bank, credit union or online. While the basic steps are common across all types of institutions, a couple of nuances exist.

How does getting a cashier’s check work at a bank?

At a bank, you must request a cashier’s check in person. Bring the information discussed above and any other relevant information for your situation. The teller you request the check from will issue the cashier’s check, which has the bank’s name on it as the issuer.

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How does getting a cashier’s check work at a credit union?

The process at a credit union is the same as at a bank. As discussed, ensure you understand your specific credit union’s needs by researching their website or calling beforehand. Bring the information you need to receive your cashier’s check as smoothly as possible.

How does getting a cashier’s check work

online?

The online process varies across institutions, but because of accessibility, this option is attractive to many more people.

Some banks and credit unions may allow you to obtain a cashier’s check through their website, while others require an in-person visit or a phone call. Additionally, some online-only banks may not offer cashier’s checks at all.

What are the benefits of using a cashier’s check?

Now that you understand where and how to get a cashier’s check, what are the benefits? Why should you pay with these types of checks?

Cashier’s checks never bounce

Because the financial institution backs this type of check, it won’t bounce like a personal check may when you make a large purchase. This means you can reliably purchase a car or boat or even put a down payment on a house without worrying about the check being an invalid form of payment.

Quick availability of funds

Once again, because the financial institution backs it, the funds are typically available as soon as the check is deposited or cashed (usually as quickly as one business day).

When a cashier’s check is deposited or cashed, the financial institution verifies the check’s authenticity and availability and then releases the funds to the recipient.

What are the drawbacks of cashier’s checks?

While this is a powerful and unique tool, using the cashier’s check has a couple of downsides.

High fees

Most financial institutions charge a standard cashier’s check fee for issuing. The fee may vary depending on the institution and the amount of the check. Typically, fees range from $5 to $15, but they can be higher for more significant amounts. However, there are a couple more.

Banks and credit unions are notorious for their fees, especially on cashier’s checks. These fees can add up quickly, especially if you use them frequently.

When researching cashier’s checks, understand your specific institution’s policy and fees for any transaction you may consider.

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Potential for scams

Check scams are everywhere. In every institution, there will always be problems because of human error. As such, it’s essential to understand that cashier’s checks can be counterfeited and forged.

You don’t particularly need to worry about if you’re the one considering this type of payment, but for anybody receiving this as payment, be wary of this issue. You might just receive a worthless piece of paper.

What are some tips for using cashier’s checks safely?

Because of the danger of fraud, many security measures are in place to access and use a cashier’s check. However, you can do a couple of things as the holder of one of these checks to maintain that level of security.

Keep your check in a secure location

Keep your check safe to prevent it from being lost, stolen or damaged. Your endorsement is one of the final security measures: only endorse it once you are ready to use it.

Use the check quickly

Use your check quickly. Cashier’s checks typically expire after a certain amount of time, usually 90-120 days. Make sure to use it or deposit it before it expires to avoid complications.

Don’t provide any unnecessary personal information

When using the cashier’s check to pay, be careful not to provide any personal information that could be used for identity theft or fraud.

Additionally, be cautious of scams involving cashier’s checks, such as overpayments or requests for a partial refund. Always verify the authenticity of the check before accepting or cashing it.

Notify your lender if your check is lost or stolen

Finally, if you lose your check or it is stolen, notify your

loaner immediately. They may be able to stop payment on the check and issue a replacement.

What are the alternatives to cashier’s checks?

While the cashier’s check is a great way to go, there are a couple of other options you can use as payment, similar to cashier’s checks, with different benefits.

1. Money orders

Money orders are another payment instrument you can use as an alternative to cashier’s checks. Like cashier’s checks, money orders are a secure form of payment when a personal check or cash is not acceptable or convenient.

If your aim isn’t to use your money for big-ticket items, money orders might be the tool you want to use. This is because people typically use money orders for smaller transactions. Obtaining a money order is similar to a cashier’s check.

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2. Certified checks

Certified checks are another secure form of payment you can use as an alternative to cashier’s checks. A certified check is a personal check certified by the issuing bank or credit union. To get a certified check, you must first write a personal check for the amount you need and then take it to your bank or credit union to have it certified.

One of the main differences between certified checks and cashier’s checks is the guarantee level.

With a certified check, the funds are guaranteed only by the

issuing bank or credit union, while with a cashier's check, the funds are considered to be as good as cash because the institution backs them.

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How can you use a cashier's check?

Cashier's checks are backed by a bank's funds and can be a valuable tool for your personal finances. Because of their high dollar limit, you use cashier's checks to make purchases for large amounts.

As discussed earlier, another way to utilize this tool is in real estate. Cashier's checks are often used as a reliable down payment on a house. You can also use this to pay bills or rent homes. These are just a few ways to take advantage of your cashier's check.

Check out Entrepreneur's other articles for more information about cashier's checks and other financial topics.

https://www.entrepreneur.com/money-finance/how-to-get-a-cashiers-check-a-step-by-step-guide/449037