

## Banking Fees

What's it going to cost me?  
Do I really need it?



What do you want in a checking account. One that earns interest? An ATM around the corner that doesn't charge fees? A new toaster? Well, banks did used to give away things like toasters back in the 1960s, but they don't do that much any more.

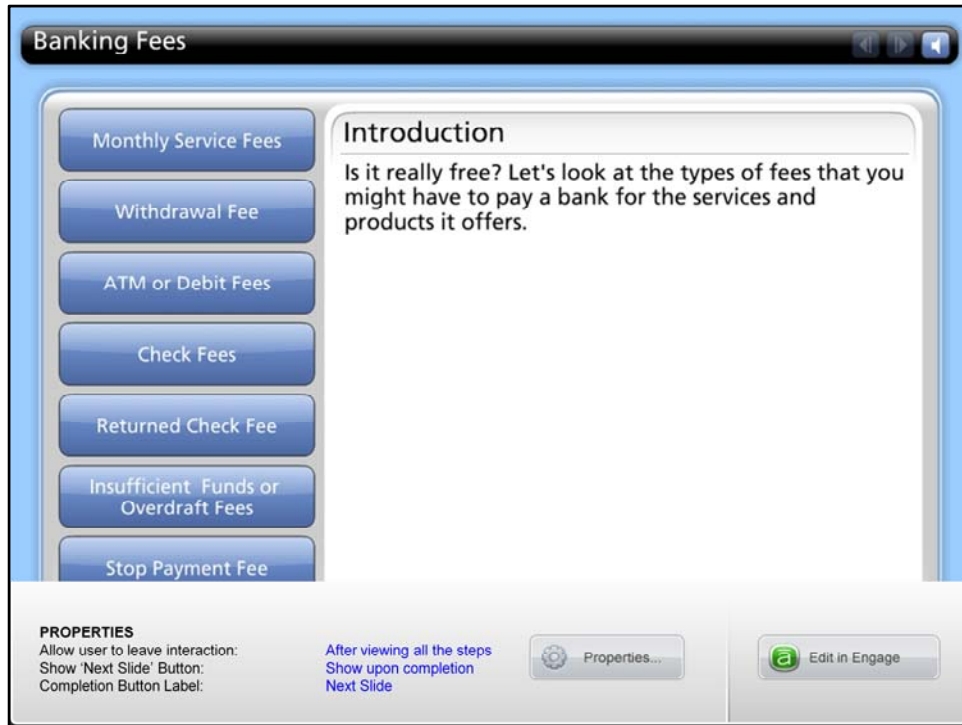
In the Selecting a Financial Institution presentation, we talked about how banks, credit unions, and savings and loans offered all of the same types of services. The differences among them came down to deciding which services were important to you.

What do banks offer that I need or don't need? What types of products are available and what fees are associated with these products? It's nice to have a lot of features, but not for a lot of money. When it comes time to select a financial institution and set up an account, make sure you ask about all the fees associated with the products and services that they are providing. Let's look at some of these fees.

## Banking Services

- Checking and savings accounts
- ATMs (Automated Teller Machines)
- Automatic deposit and payment
- Safe Deposit Boxes
- Online Banking
- Overdraft protection
- Traveler's checks
- Credit and debit cards
- Certificates of Deposit (CDs)
- Retirement Accounts

Here are some of the services that different banks might offer. How many do you think you might need?



Yes, banks offer many services but the catch is you usually pay for these benefits in the form of fees automatically deducted from your account. While you may see ads for “free” checking accounts, you should know that no checking account is completely free.

Let's look at the types of fees that you might have to pay a bank for the services and products it offers.

## Bouncing a Check



Both the store where you wrote the check and the bank may charge you "returned check" fees.

**Overdraft Protection**  
Bank makes a cash advance to your account to cover the shortage.

Bouncing a check is the common term when a person writes a check for more money than they have in their checking account. The fees associated with bouncing a check can add up quickly. When you bounce a check, both the store where you wrote the check and the bank may charge you "returned check fees." These fees can quickly amount to as much as one hundred dollars per check, which may cause even more checks to bounce! Bounced checks can also appear on your credit report.

To be safe, you may want to inquire about overdraft protection. If you write a check for more than the balance in your account, overdraft protection will make a cash advance to your account to cover the shortage. The cash advance is much like a credit card, you must qualify to sign up for the plan and you are charged interest on the amount of the cash advance, but it sure beats paying \$100.00 per check if you overdraw your account!

## What's Important to You?



Make a list of ten questions about fees that you would want the bank to answer before you opened an account there.



We have looked at the services a bank has to offer as well as some of the bank fees; but what about what YOU need? Remember, all the services in the world don't have any value unless you need them. Make a list of ten questions would want the bank to answer before you opened an account there.

For some questions you might ask, check out this list of questions on the American Banker's Foundation website. Are these questions on your list?