

! Please update your browser.

We don't support this browser version anymore. Using an updated version will help protect your accounts and provide a better experience.
[Update your browser](#)



CHASE

Basics ▾

What are overdraft fees?



Maintaining a positive checking account balance is an essential part of managing a bank account. Still, we're only human — unexpected expenses or accidental slip-ups that send your account into the red can happen to anybody. When it does, you might find your checking account hit with an overdraft fee. Let's take a closer look at what overdraft fees are and how they work.

Understanding overdraft fees

When you spend more money than what's in your account, it's said to be overdrawn. Your bank may temporarily cover the deficit and charge an overdraft fee to help facilitate the completion of your [transaction](#).

To help clear the overdraft, you often need to add enough funds to cover the deficit, as well as any fees incurred. If the account balance stays negative for an extended period, your account may incur multiple additional fees depending on the bank's policies for your account. Checking accounts that continue to be overdrawn past a certain time might even be closed.

What is overdraft protection?

Banks may offer customers several ways to help respond to and manage an overdrawn bank account. Typically, there are three main options when it comes to a bank's [overdraft protection](#).

Overdraft coverage

Overdraft coverage allows your bank to authorize a transaction that would overdraw your account, putting your account in overdraft status. The transaction is typically authorized at the bank's discretion, based on your account history.

Standard overdraft coverage typically encompasses checks, automatic payments and recurring payments. To cover every day debit card purchases, you may need to opt-in to enable additional debit card [overdraft services](#).

This overdraft coverage could result in an overdraft fee that's generally between \$20 and \$40, depending on your bank's policies. Some banks may charge a separate extended overdraft fee if your account remains overdrawn for multiple days. Contact your financial institution for more information about their specific overdraft fees.

Overdraft protection transfers

Overdraft protection allows you to link additional bank accounts (such as a [savings account](#)) to transfer funds in the event of an overdraft. There may be an overdraft transfer fee attached, but it's generally less than a standard overdraft fee. And the transfer fee may also be charged on a per-day basis, instead of per transaction, which could help save you money. Check with your financial institution for specific fee information.

Overdraft lines of credit

Overdraft lines of credit are similar to overdraft protection transfers. Instead of being linked to a [savings account or checking account](#), they're linked to a credit card or line of credit. It's helpful to remember that you may be charged interest on the amount you use, the interest rate may be high and there could also be an overdraft transfer fee even if you have overdraft protection services.

Steps you can take to help avoid overdraft fees

The following are a few basic things you can do that may help lower your chances of an overdraft.

Monitoring your checking account balances

Keeping a close eye on your account can help you avoid making purchases that could overdraw your checking account. Many banks offer account alerts to automatically notify you when your balances dip below a certain threshold.

Quickly covering negative balances

Some banks may offer customers a grace period before applying overdraft fees. So, if you do overdraw, you could help avoid those extra charges by bringing your account balance back up within that time.

Opting out from overdraft services

Opting out of [overdraft services](#) could help you avoid overdrawing your account and incurring possible associated fees. If you opt out of the services, your transaction may simply be declined if you have an insufficient balance.

In summary

Overdraft fees allow banks to extend customers the courtesy of completed transactions. If an overdraft does occur, it's helpful to fix it as soon as you can. Contact your bank to find out more about their specific overdraft protection services.

[Learn more about Chase's overdraft services](#)

For Informational/Educational Purposes Only: The opinions expressed in this article may differ from other employees and departments of JPMorgan Chase & Co. Opinions and strategies described may not be appropriate for everyone, and are not intended as specific advice/recommendation for any individual. You should carefully consider your needs and objectives before making any decisions, and consult the appropriate professional(s). Outlooks and past performance are not guarantees of future results.

JPMorgan Chase Bank, N.A. Member FDIC

Follow us:



We're here to help you manage your money today and tomorrow



Checking Accounts

Choose the [checking account](#) that works best for you. See our [Chase Total Checking®](#) offer for new customers. Make purchases with your debit card, and bank from almost anywhere by phone, tablet or computer and more than 15,000 ATMs and more than 4,700 branches.

Other Products & Services:


- [Deposit Account Agreements](#)
- [Mobile Banking](#)
- [Online Banking](#)
- [Student Center](#)
- [Zelle®](#)

"Chase," "JPMorgan," "JPMorgan Chase," the JPMorgan Chase logo and the Octagon Symbol are trademarks of JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. is a wholly-owned subsidiary of JPMorgan Chase & Co.

"Chase Private Client" is the brand name for a banking and investment product and service offering, requiring a Chase Private Client CheckingSM account.

Investing involves market risk, including possible loss of principal, and there is no guarantee that investment objectives will be achieved. Past performance is not a guarantee of future results.

J.P. Morgan Wealth Management is a business of JPMorgan Chase & Co., which offers investment products and services through **J.P. Morgan Securities LLC** (JPMS), a registered broker-dealer and investment adviser, member [FINRA](#) and [SIPC](#). Insurance products are made available through Chase Insurance Agency, Inc. (CIA), a licensed insurance agency, doing business as Chase Insurance Agency Services, Inc. in Florida. Certain custody and other services are provided by JPMorgan Chase Bank, N.A. (JPMCB). JPMS, CIA and JPMCB are affiliated companies under the common control of JPMorgan Chase & Co. Products not available in all states.

Member FDIC  Equal Housing Opportunity

© 2023 JPMorgan Chase & Co.