

Common Banking Fees

The following are some of the most common banking fees you will may encounter, regardless of which institution you choose to bank with, and how to avoid these fees:⁴⁶

Monthly maintenance/service fee: Some banks charge a fee every month to hold your money in an account with them. These fees can range from \$4 to \$24 and usually apply to checking accounts. The easiest way to avoid these fees is to choose a free checking and/or savings account that does not charge monthly fees. Additionally, some banks may waive your monthly maintenance fee if you set up monthly direct deposits; keep a minimum balance in your account, have other accounts or products with them, or are a student.⁴⁷

Automated teller machine (ATM) fees: Often around \$1 to \$2 per transaction, ATM fees can often be avoided by using your own bank's ATMs or by using an ATM that is part of your bank's co-operative network of institutions that allow free withdrawals at their ATM locations. Remember, while you can withdraw funds at any ATM that is a member of your general network, you can usually only deposit money at an ATM owned by your bank. Avoid ATM fees whenever possible and convenient.⁴⁸

Overdraft fees: If your account balance is insufficient but you have a check or transaction that is cleared, your institution may have paid the check or transaction for you. However, you may be charged a fee for this service. These charges are often in the \$25 to \$35 range *per check or transaction cleared*. While this result is preferable to enduring a bounced check (and a similar fee), these fees can quickly add up if you've miscalculated and presented more than one check for payment. This can also happen when you use your debit card on an insufficient balance – your bank might cover it, then charge you, instead of declining your transaction.

Overdraft fees are an easy accident to have happen. To avoid these fees, sign up for direct deposit so your income is automatically and consistently deposited into your account. This will help maintain a minimum balance in your checking account. You can also download your bank's

⁴⁶ Elizabeth Gravler. "7 Common banking fees and how to avoid them." *CNBC Select*.
<https://www.cnn.com/2019/08/19/finance/banking-fees/index.html>

⁴⁷ Stephanie Colestock. "What are checking account monthly maintenance fees?" *Credit Karma*, Oct. 19, 2021.
<https://www.creditkarma.com/money/i/monthly-maintenance-fee>

⁴⁸ Original material from Peerlink National Technical Assistance Center