

mobile app to check your balance easily and frequently to make sure you have the money before making purchases.

Not sufficient funds (NSF) fees: If you don't have enough money in your bank account and you don't have overdraft protection, insufficient funds can cost you when you try to make a purchase. The maximum NSF fees that can be charged are set by individual states, usually up to \$35- \$45 *per check or transaction*. These fees should be avoided at all costs (pun intended).

Insufficient funds fees and bounced check fees can be avoided by checking your account balance frequently and transferring money to your account in advance. You can often sign up for notifications via text or email to be alerted by your bank when your balance is low.

Stop payment fees: If you've sent someone a check, but it never arrived at its destination, you may have to stop payment on this missing check. Stop payment fees are more widely accepted than many other bank charges, because they are sometimes necessary to protect you from further loss. Often these fees are in the \$5 to \$10 range.⁴⁹

Early withdrawal fees: Normally associated with a *certificate of deposit* (an account similar to a savings account but usually with a fixed term and fixed interest rates), these fees can be substantial. A common early withdrawal fee is the loss of all interest due. For example, if you have a \$5,000 CD earning 6% interest per year, with interest that is posted every three months, and you decide to withdraw your funds after just two months, your fee could be \$50 (all interest earned).

Always attempt to avoid early withdrawal fees by not touching your certificate of deposit until its term is over. CD terms can range between 3 months and 5 or more years, and the longer you let it sit, the more interest you will gain.

Early closing fee: Most banks charge you a fee if you close your account during a specified period of time after opening it (usually 90 to 100 days). These fees can be up to \$25, so check with your bank about their rules before you cancel your account.

Low balance checking account fees: If you have a checking account that requires a minimum balance amount, you might incur \$5 to \$15 dollars in fees every month that your "average

⁴⁹ Original material from Peerlink National Technical Assistance Center.