



Consumer Federation of America

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CONSUMER FEDERATION OF AMERICA REPORT: CAN CONSUMERS AVOID CHECKING FEES?

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Executive Summary

The purpose of this Consumer Federation of America (CFA)¹ project is to determine the cost of typical checking accounts at the largest banks for consumers who are unable to meet the rising thresholds to waive bank fees and to demonstrate the impact of just a few mistakes on the annual cost of bank accounts.

Consumer Federation of America examined data on the pattern of bank account use by consumers from research conducted by the Raddon Financial Group and surveyed three types of accounts² at the twenty-five largest banks to determine the affordability of mainstream checking accounts for consumers in an era of rising bank fees and thresholds to avoid bank fees. Our major findings, discussed in detail in this report, include:

- Checking account users fall into two main categories, based on their account use characteristics. **Low Balance, High Overdraft Customers:** Nearly one-half of the entire group of respondents (45%) in a customer survey had minimum balances under \$500 and average balances under \$1000 and was the most likely to overdraw their account and be charged the bank's overdraft fee for covering overdrafts. **High Balance, No Overdraft Customers:** Over one-fifth of respondents (22%) had minimum balances of \$1000 or more and average balances of \$2000 or more and only three percent of this group overdrew their accounts in the last two years.
- Bank account monthly fees can be waived if accountholders either maintain sizeable balances in accounts, receive income via direct deposit, or hold mortgages or investments at the bank. Low balance consumers who are not paid via direct deposit are not likely to be able to avoid monthly fees at accounts that use these waivers.
- Of the 61 mainstream basic and all-electronic accounts, non-interest and interest-bearing checking accounts surveyed, only six accounts are free without meeting waiver terms to avoid fees on accounts. Another seven accounts cost up to \$60 per year. Based on just the

¹ The Consumer Federation of America is an association of nearly 280 nonprofit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.

² See Charts 1-10 following report.

monthly account fee, low balance consumers would pay up to \$300 a year for a checking account.

- Any mistake in account-handling, such as an overdraft, a check returned due to insufficient funds or a deposit rejected, dramatically increases the cost of having a checking account. For accountholders who cannot waive monthly account fees and incur just one overdraft, one bounced check, and one returned deposit in a year, the annual cost of accounts ranges from \$56 to \$385.
- Interest-bearing checking accounts have high deposit requirements to avoid monthly fees which are generally higher than fees for non-interest checking. Low balance consumers are priced out of interest-bearing checking accounts.

Introduction

As banks seek to recoup revenue eroded by the recession, interchange fee limits and other changes, they are seeking to increase revenue from checking account customers. Consumers paid \$34 billion in checking fees last year³ while monthly account and penalty fees continue to increase and are becoming more difficult to avoid. Are checking accounts structured by banks so that consumers cannot avoid, or have difficulty, avoiding expensive fees, especially by low to moderate income consumers? To answer this question, it is necessary to examine not only the structure of these accounts but also how consumers use them.⁴

This study attempts to answer these questions. It uses survey data collected by the Raddon Financial Group in the fall of 2010 to analyze how consumers use checking accounts -- the average and minimum monthly balances maintained by consumers and the use of direct deposit, checks, debit cards, overdraft coverage opt-in, and the relationships among these factors. The CFA study also examines the key terms and conditions of 61 checking accounts accessible to most Americans at the 25 largest commercial banks by number of branches. It then considers the question -- given this consumer checking behavior and bank checking account characteristics, how much do different types of consumers pay for checking and are these costs avoidable? The answers to these questions are somewhat surprising.

How Consumers Use Checking Accounts

An important source of information about how consumers use checking accounts is the periodic consumer surveys undertaken by the Raddon Financial Group (RFG). The fall 2010 survey was based on 1,155 responses from a randomly drawn sample of a nationally representative direct mail panel. The Raddon survey was conducted soon after banks marketed debit card overdraft opt-in to implement the Federal Reserve rule requiring customer consent to be charged overdrafts triggered

³ FDIC Statistics on Depository Institutions Report, All Institutions, year ended 12/31/2011, "Service Charges on Deposit Accounts" \$34,063,798,000.

⁴ This report treats only the some nine-tenths of households with a checking account. According to the 2011 FDIC National Survey of Unbanked and Underbanked Households, 8.2 percent of U.S. households are unbanked, an increase of .6% from the FDIC's 2009 report. This percentage rises to 28.2 percent for households with less than \$15,000 annual income. [2011 FDIC National Survey of Unbanked and Underbanked Households, September 2012, p. 5.](#)

by single debit card purchases and ATM withdrawals. The responses were weighted to reflect the nation's demographic composition.

Individual Checking Behaviors

Here's what consumers told the RFG about their checking account use:

- **Direct Deposit:** Over three-fifths (62%) said they directly deposit their paychecks, and over one-quarter (27%) said they directly deposit their Social Security Checks. But because there is overlap between these two groups, the use of direct deposit is not universal.
- **Number of Payments:** Some consumers make payments from checking only by writing checks or using a debit card, but many use both payment methods. Two-thirds (67%) said they wrote checks in the past month, with 24 percent writing one to four, 29 percent writing five to ten, and 15 percent writing more than ten. Moreover, over half (52%) said they made a debit card payment in the past month, with 10 percent making one to four payments, 18 percent making five to ten payments, and 24 percent making more than ten payments.
- **Overdrafts:** Nearly one-third of respondents (30%) said that, in the past two years, they overdrew their account. Ten percent of all respondents said they had at least four overdrafts in the same period of time.
- **Overdraft Fees:** Roughly the same percentage (32%) said they were charged overdraft fees when transactions on insufficient funds were covered by their financial institution for a fee.
- **Low Balances:** Nearly three-fifths (59%) of respondents said that, during the course of a typical month, their checking balance fell below \$500, with 36 percent saying it fell below \$100. Less than one-quarter (24%) said they were able to keep their balance above \$1000.
- **Average Balances:** Predictably, average balances were higher than minimum balances. Less than one-third (31%) maintained an average balance of less than \$500, with nearly one-third (32%) keeping a balance of at least \$2000.

Relationships Between These Checking Behaviors

It is important to examine the relationships between these checking account behaviors to try to identify clusters that reveal different types of checking account users. Table 1 reveals the relationship between several of these behaviors and low checking balances. The latter is important because many costs are triggered by a consumer failing to meet a minimum or average checking account balance requirement.

	Low Checking Balances			
	Under \$100	\$100-499	\$500-999	\$1000 and Higher
Average Balances				
Under \$500	268	68	10	6
\$500-999	66	103	37	3
\$1000-1999	36	70	57	32

\$2000-4999	19	24	46	95
\$5000 and over	4	12	15	150
Bounced Check(s)				
Yes	226	99	26	9
No	293	188	140	291
Overdrafts Covered for a Fee				
Yes	192	92	42	56
No	226	180	123	231
Direct Deposit of Paychecks				
Yes	310	223	134	243
No	122	63	35	62

The most apparent relationships are:

- Predictably, there is a strong relationship between low and average balances. In general the lower the low balances, the lower the average balances, and vice versa. In fact, 268 respondents said their low balance was below \$100 and their average balance below \$500, while 150 persons said their low balance was at least \$1000 and their average balance at least \$5000. By contrast, only four persons said their low balance was below \$100 and their average balance at least \$5000.
- Those with low balances were far more likely to overdraw their account than those with high balances. Two-fifths (40%) of those with low balances below \$500 said they had overdrawn their checking account at least once in the past two years, while only 3 percent of those with low balances above \$1000 said they had done so.
- Those with low balances -- 41 percent of those with low balances below \$500 -- were twice as likely to pay a fee to their bank to cover overdrafts as those with high balances -- 20 percent of those with low balances at least \$1000.
- There were no noteworthy differences among those with different low balances levels in terms of those who directly deposited paychecks or Social Security checks. A large majority of all groups did so.

Unexpectedly, there was no strong relationship between the number of checks written or the number of debit payments made, on the one hand, and the level of either low balances or average balances, on the other.

Major Types of Checking Customers

There are two significantly different groups of checking customers that constitute two-thirds of all checking customers surveyed by Raddon. These groups are:

1. Low Balance, High Overdraft Customers: Nearly one-half of the entire group of respondents (45%) had low balances under \$500 and average balances under \$1000. As indicated above, this group was by far the most likely to overdraw their account and be charged the bank's overdraft fee for covering overdrafts.

2. High Balance, No Overdraft Customers: Over one-fifth of respondents (22%) had low balances of \$1000 or more and average balances of \$2000 or more. Only three percent of this group reported overdrawing their account in the past two years while only one-fifth reported paying their institution's overdraft fees.

More than one third of the remaining one-third of respondents -- 11 percent of all respondents -- had low balances between \$100 and \$999 and average balances between \$1000 and \$2000. And these checking customers were in between the low balance and high balance groups in terms of their likelihood of overdrawing their account and paying overdraft fees.

Significance of Age and Income

Since Raddon collected information about age and income, it is interesting to learn if the two major types of checking customers are associated with either of these characteristics. There are no consistent relationships between age and checking characteristics, but there are some relationships between household income and these characteristics. For example, low-income respondents (under \$20,000) were seven times more likely to have low balances under \$100 than have low balances of at least \$1000. And similarly, high-income respondents (at least \$100,000) were nearly three times as likely to have low balances of \$1000 or more than have low balances of less than \$100.

Not surprisingly, there is an inverse relationship between household income and the tendency to overdraw one's account. As table 2 indicates, the percentage of those reporting that they had overdrawn their account in the past two years declined steadily from 38 percent for the lowest income quintile to 24 percent for the highest income quintile. But this inverse relationship was not true for those who opted in for coverage of debit card overdrafts. As table 2 also indicates, the percentages of the five different income quintiles who made this choice were roughly equal, varying between 30 and 39 percent. As a result, a higher percentage of those in the lowest quintile overdrew their account that opted-in to pay overdraft fees, while the reverse was true for the highest income quintiles.

	<\$20k	\$20-39k	\$40-74k	\$75-99k	>\$100k
Overdraw account	38%	34%	32%	30%	24%
Overdraft opt in	31%	31%	36%	39%	30%

Raddon asked why consumers did not opt in to pay overdraft fees on debit card purchases and ATM withdrawals. The most often reason selected was “no need for overdraft coverage/never overdraft my account” (436); “I should not be spending funds I do not have” (345); and “I do not want to incur the fees involved in the coverage” (238). Smaller numbers of respondents said they did not opt in for “other” reasons (88), might unintentionally use it if they signed up (62), followed by only 35 who selected “I have other overdraft protection services.” Apparently, standard advice for consumers is not being heeded to establish overdraft lines of credit or to link checking accounts to savings or credit cards to avoid per-item overdraft fees.

There was, however, a strong relationship between income and likelihood of having one's paycheck directly deposited. Only one-fourth of the low-income group (25%), about one-half of the second income group (52%), about two-thirds of the third income group (66%), and over four-fifths of the

upper-middle and upper income groups (\$75,000 and above) said their paychecks were directly deposited in their checking accounts. This difference is important because most banks waive monthly fees for non-interest bearing accounts for customers who have direct deposits of sufficient amount.

How Big Banks Structure Checking Accounts

To better understand the cost of checking accounts for different groups of consumers, it is necessary to learn the important characteristics of these accounts. We did so by using the websites of the 25 largest commercial banks, by number of branches⁵, to research those checking accounts that would be available to most consumers. The survey⁶ included each bank's basic/budget account and all-electronic account, if any; the banks' mainstream non-interest bearing checking account, and the lowest cost interest-bearing checking account. Accounts that were only available to some consumers, such as seniors, students or military, were excluded. We collected information online and by calling banks when information was not available online. We noted accounts with very high minimums to avoid fees -- \$3000 for checking and \$5000 for combined accounts -- because of their limited market penetration or usefulness. (According to the Federal Reserve Board's 2007 Survey of Consumer Finances, a large majority of households had less than \$3000 in checking and savings accounts combined.)

One positive finding of our research is that nearly all bank websites included both useful summaries of each checking account and also links for fuller descriptions of the accounts including monthly fees. Finding details on overdraft fees and practices sometimes required further searching. Several banks also made suggestions as to which accounts were most useful for different types of checking customers. Some banks, such as Chase,⁷ have adopted the model bank fee disclosure form proposed by the Pew Safe Checking Project,⁸ making simple comparison of terms and fees easier to perform.

Basic/Budget Accounts: The survey included each bank's "basic" or "budget" account, which CFA categorized as costing \$7 or less per month. Nine of the twenty-five surveyed banks offer accounts that met CFA's criteria for a "budget" or "basic" account. These accounts permit consumers to write checks and conduct transactions and cost \$7 or less per month, even if consumers cannot avoid fees by using direct deposit or maintaining balance requirements. Of these accounts, M&T Bank's "Free Checking⁹," PNC "Virtual Wallet¹⁰" and First Citizens Bank's "Free Checking¹¹" do not charge monthly fees while the other accounts in this category cost from \$3 to \$7 per month. Consumers can save a dollar or two in monthly fees by getting monthly statements online instead of on paper at Wells Fargo (Value Checking¹²) and TD Bank (TD Simple¹³).

⁵ See Appendix A.

⁶ See Charts 1-10 following report.

⁷ <https://www.chase.com/online/Checking/chase-checking-account.htm>, last visited October 5, 2012.

⁸ Pew Health Group, "Checking Accounts: Long on Words, Short on Protections – the Need for a Disclosure Box," April 27, 2011. http://www.pewtrusts.org/our_work_report_detail.aspx?id=85899359190&category=1202

⁹ https://services.mtb.com/personal/accounttypes/checking_free.cfm, last visited October 5, 2012.

¹⁰ <https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Virtual+Wallet>, last visited October 5, 2012.

¹¹ <https://www.firstcitizens.com/personal/checking/find-checking-account/free-checking/>, last visited October 5, 2012.

¹² <https://www.wellsfargo.com/checking/value>, last visited October 5, 2012.

Additionally, First Citizens Bank's "Free Checking"¹⁴ account requires online statements to open and maintain the account. If a consumer opts for paper statements, they are transitioned into the bank's mainstream non-interest checking account ("Select Checking"¹⁵). For the banks that charge a monthly fee, consumers can avoid them by maintaining balances of \$1,500 or less or by getting monthly direct deposits of \$100 to \$500. Regions' "Basic Checking"¹⁶ \$5 monthly fee, TD Bank's "TD Simple"¹⁷ \$3.99/\$2.99 fees, and HSBC Bank's "Basic Banking"¹⁸ \$3 fee cannot be waived. (See Chart 1)

Electronic Accounts: To see if low-balance consumers would benefit from banks' all-electronic accounts, we collected information from the three banks that offer these accounts. Typically users of electronic accounts do not use teller services or write paper checks, but conduct all banking business at ATMs and online. The cost of these accounts are \$5 per month at Keybank's "Key Express Checking"¹⁹ and \$8.95 monthly at Bank of America for its "eBanking"²⁰ account which is not charged if accountholders use ATMs and Online banking and receive statements electronically. Fifth Third's "eAccess"²¹ account has no fee but requires at least \$500 per month to be direct deposited to the account, making this account not available to any consumers without direct deposit. Users of the Keybank "Key Express Checking"²² account can avoid the \$5 month fee by either \$500 or more in deposits or initiating five or more transactions per month from the account. (See Chart 2)

Prepaid Debit Cards: Large banks are starting to market prepaid debit cards either as "accounts" or as part of basic financial services packages, such as Region's "Now Banking."²³ Prepaid debit cards typically come with a long list of fees and differ from checking accounts in the way funds are deposited or "loaded" to the card. In surveying accounts at the largest banks, CFA noted the new prepaid card offers but did not include them in the account report. No checks are written on prepaid cards and consumers cannot overdraw the cards. None of the cards identified by CFA charge overdraft or insufficient funds fees. If transactions exceed the balance on the card, the overage is deducted from the next deposit but no overdraft fee is charged.

CFA found six prepaid cards offered by the banks in this survey. These include Keybank's "Key Access"²⁴ account whose \$5 monthly fee is waived with deposits of \$200 or two transactions per month. JPMorgan Chase offers the "Liquid"²⁵ card for \$4.95 per month while PNC announced its

¹³ http://www.tdbank.com/personal/personalcheckingdetails_e.html?product=TD%20Simple ,last visited October 5, 2012.

¹⁴ <https://www.firstcitizens.com/personal/checking/find-checking-account/free-checking/> , last visited October 5, 2012.

¹⁵ <https://www.firstcitizens.com/personal/checking/find-checking-account/select-checking/>, last visited October 5, 2012.

¹⁶ http://www.regions.com/personal_banking/basic_checking.rf, last visited October 5, 2012.

¹⁷ http://www.tdbank.com/personal/personalcheckingdetails_e.html?product=TD%20Simple, last visited October 5, 2012

¹⁸ <http://www.us.hsbc.com/1/2/3/personal/checking>, last visited October 5, 2012.

¹⁹ <https://www.key.com/personal/checking/checking-account.jsp>, last visited October 5, 2012.

²⁰ http://www.bankofamerica.com/deposits/checksave/index.cfm?template=check_eBanking, last visited, October 5, 2012.

²¹ <https://www.53.com/site/personal-banking/checking/eaccess.html>, last visited October 5, 2012.

²² <https://www.key.com/personal/checking/checking-account.jsp>, last visited October 5, 2012.

²³ http://www.regions.com/personal_banking/now_banking.rf, last visited October 9, 2012.

²⁴ <https://www.key.com/personal/checking/key-bank-access-account.jsp>, last visited October 9, 2012.

²⁵ <https://www.chase.com/online/prepaid-card/liquid-prepaid-card.htm>, last visited October 9, 2012.

“Smart Access”²⁶ Prepaid Visa Card for \$5 per month. Other large bank prepaid card accounts include the U. S. Bank “Convenient Cash Card”²⁷ and Comerica’s “Convenience Card.”²⁸ Funds can be loaded for free to these cards via direct deposit at all banks with cards. Consumers can also load cash at bank branches for free at Chase,²⁹ PNC Bank,³⁰ U.S. Bank,³¹ and Comerica Bank,³² while consumers are charged \$3 to load cash at Keybank³³ and Regions³⁴ branches. Regions³⁵ waives the load fee if the cardholder cashed the check at the bank and paid the check cashing fee. Only the Chase Liquid³⁶ card permits users to load checks to the card without charging a check cashing fee; however, Chase³⁷ also charges \$12 if a deposited check is returned on insufficient funds (DIR). Keybank³⁸ charges a deposit item returned fee of \$15 if deposits to its Key Access³⁹ card are returned unpaid. At U. S. Bank, Convenient Cash Card⁴⁰ holders can only cash checks drawn on the bank for a \$5 fee and can only load cash to the prepaid debit card.

The line is becoming blurred between all-electronic or “check-less” checking accounts and bank prepaid debit cards. For most of the prepaid cards in this review, the fee schedules look more like prepaid debit cards than basic checking accounts, with some banks charging for customer service, to withdraw cash in person from a teller, or for balance inquiries. Also, prepaid debit cards are not protected by the Electronic Fund Transfer Act which sets the rules for bank account debit cards. As a result of the lack of protections and generally expensive fee structures, CFA does not view most bank prepaid cards as a substitute for a real bank account. For consumers seeking a bank payment method that cannot be overdrawn, a prepaid card can be an option.

Non-Interest Checking Accounts: Twenty-four of the surveyed banks offer non-interest checking accounts that fit CFA’s criteria of being mainstream accounts. The monthly fees range from zero at The Huntington National Bank,⁴¹ New York Community Bank,⁴² and PNC Bank,⁴³ to \$15 per month at TD Bank⁴⁴ (TD Convenience⁴⁵ with paper statements). Fifteen of the accounts cost \$10 or less per month if customers cannot get fees waived by meeting the banks’ criteria. Non-interest checking accounts that cost more than \$10 per month include Compass’ “Build To Order Checking”⁴⁶ at \$10.95, Fifth Third Bank’s “Essential Checking”⁴⁷ up to \$11; Bank of America’s

²⁶<https://www.pnc.com/webapp/unsec/ProductsAndService.do?siteArea=/pncorp/PNC/Home/Personal/PNC+SmartAccess+Prepaid+Visa+Card/PNC+SmartAccess+Prepaid+Visa+Card>, last visited October 9, 2012.

²⁷<https://www.usbank.com/prepaid/convenient-card.html>, last visited October 9, 2012.

²⁸<https://www.comericaconveniencecard.com/>, last visited October 9, 2012.

²⁹<https://www.chase.com/online/Checking/chase-checking-account.htm>, last visited October 5, 2012.

³⁰<https://www.pnc.com>, last visited October 5, 2012.

³¹<http://www.usbank.com/>, last visited October 5, 2012.

³²<http://www.comerica.com>, last visited October 5, 2012.

³³<https://www.key.com/about/welcome.jsp>, last visited October 5, 2012.

³⁴<https://www.regions.com>, last visited October 5, 2012

³⁵Ibid.

³⁶<https://www.chase.com/online/prepaid-card/liquid-prepaid-card.htm>

³⁷<https://www.chase.com>, last visited October 5, 2012

³⁸<https://www.key.com/about/welcome.jsp>, last visited October 5, 2012

³⁹<https://www.key.com/personal/checking/key-bank-access-account.jsp>, last visited October 9, 2012.

⁴⁰<https://www.usbank.com/prepaid/convenient-card.html>, last visited October 9, 2012.

⁴¹<https://www.huntington.com/>, last visited October 5, 2012.

⁴²<http://www.mynycb.com>, last visited October 5, 2012.

⁴³<https://www.pnc.com>, last visited October 5, 2012.

⁴⁴<http://www.tdbank.com/>, last visited October 5, 2012.

⁴⁵http://www.tdbank.com/personal/CheckingDetails_e.html, last visited October 5, 2012.

⁴⁶<http://www.bbvacompass.com/personal/checking/build-to-order/>, last visited October 5, 2012.

“MyAccess⁴⁸” checking, SunTrust’s “Balanced⁴⁹” and Keybank’s “Coverage⁵⁰” at \$12; and TD Bank’s “Convenience⁵¹” checking that costs \$15 per month with paper statements and \$14 per month with online statements.

Most of the banks waive fees if consumers have direct deposit or keep sufficient funds in the account. Of the non-interest checking accounts in the survey, only Keybank⁵² (Key Coverage Checking⁵³) charges a monthly fee and provides no means of waiving the fee. Sixteen banks waive monthly fees with direct deposit with required amounts ranging from \$100 (Union Bank⁵⁴) to \$750 (Wells Fargo⁵⁵) per month.

Monthly account fees can be waived if consumers conduct a set number of transactions during the month at some banks. For example, Bank of the West “Easy Checking⁵⁶” waives fees if ten or more debit card purchases are made each month. RBS Citizens⁵⁷ waives fees on “Green Checking⁵⁸” if five ATM withdrawals, automatic billing, electronic bill payment, debit purchases or paid checks are processed each month. Citibank⁵⁹ combines one direct deposit and one bill payment to avoid paying its \$10 per month fee on the “BasicChecking⁶⁰” account if consumers do not maintain an average \$1,500 balance. Associated Bank’s “Advantage⁶¹” checking waives fees on five or more electronic transfers or if the customer has a mortgage with the bank.

Twenty of the surveyed banks waive monthly fees if consumers keep either a sufficient minimum or average balance in their non-interest checking account. Average balances to waive fees range from \$500 to \$1,500 for banks in the survey, while the range for minimum balances is \$100 to \$3,000. M&T Bank’s “MyChoice Checking⁶²” sets a \$500 average balance and Bank of The West’s “Easy Checking⁶³” requires \$1,000 average balance. All the rest of the banks with average balance thresholds set it at \$1,500. The lowest level minimum balance to avoid fees is \$100, set by TD Bank’s “TD Convenience⁶⁴” checking. The highest minimum balance of \$3,000 is required by SunTrust’s “Balanced Banking” for combined balances. Several banks will also waive fees if

⁴⁷ <https://www.53.com/site/personal-banking/checking/essential.html>, last visited October 5, 2012.

⁴⁸ http://www.bankofamerica.com/deposits/checksave/index.cfm?template=check_myaccess, last visited October 5, 2012.

⁴⁹ <https://www.suntrust.com/PersonalBanking/EverydayBanking/Checking/BalancedBanking>, last visited October 5, 2012.

⁵⁰ <https://onlinea.key.com/uap/SvltKdd?mode=3&id=KCOCHT-CARE>, last visited October 5, 2012.

⁵¹ http://www.tdbank.com/personal/CheckingDetails_e.html, last visited October 5, 2012.

⁵² <https://www.key.com/about/welcome.jsp>, last visited October 5, 2012.

⁵³ <https://onlinea.key.com/uap/SvltKdd?mode=3&id=KCOCHT-CARE>, last visited October 5, 2012.

⁵⁴ <https://www.unionbank.com>, last visited October 5, 2012.

⁵⁵ <https://www.wellsfargo.com/>, last visited October 5, 2012.

⁵⁶ <https://www.bankofthewest.com/personal-banking/checking-accounts/easy-checking.html>, last visited October 5, 2012.

⁵⁷ <http://www.citizensbank.com/>, last visited October 5, 2012.

⁵⁸ <http://www.citizensbank.com/checking/green-checking.aspx>, last visited October 5, 2012.

⁵⁹ <https://online.citibank.com/US/Welcome.c>, last visited October 5, 2012.

⁶⁰ <https://online.citibank.com/US/JRS/pands/detail.do?ID=ChkBasicChecking>, last visited October 5, 2012.

⁶¹ <https://www.associatedbank.com/personal/bank/personal-checking/personal-checking-comparison-chart>, last visited October 5, 2012.

⁶² <https://services.mtb.com/personal/accounttypes/mychoice.cfm>, last visited October 5, 2012,

⁶³ <https://www.bankofthewest.com/personal-banking/checking-accounts/easy-checking.html>, last visited October 5, 2012.

⁶⁴ http://www.tdbank.com/personal/CheckingDetails_e.html, last visited October 5, 2012.

consumers keep larger sums in combined accounts, which CFA views as out of the reach of many consumers. Low-balance/High Overdrafters who make up almost half of bank account holders are not likely to be able to avoid monthly fees when the average balance to avoid fees is more than \$500. (See Chart 3)

Interest Checking: Almost all of the largest banks offer an interest-bearing checking account but under terms that make it very unlikely that many consumers could afford to use them. The most expensive interest checking accounts cost \$25 per month in fees (Bank of America,⁶⁵ Chase,⁶⁶ BB&T,⁶⁷ TD Bank,⁶⁸ Keybank⁶⁹) with required minimum balances to avoid fees set from \$2,500 at TD Bank to \$25,000 at BB&T and at Keybank. Bank of America requires \$10,000 in combined balances while JPMorganChase requires a \$15,000 average balance in combined accounts. Aside from the TD Bank “TD Premier⁷⁰” account, these requirements to avoid fees are beyond the reach of consumers who need low-cost banking. Capital One charges no monthly fee but will close a customer’s “High Yield Free Checking⁷¹” account if a \$5,000 balance is not maintained.

Thirteen of the largest banks charge \$15 to \$20 in monthly fees unless consumers can maintain a sufficient balance to avoid fees. The average balance to avoid fees ranges from \$1,500 at PNC “Performance Checking⁷²” to \$2,500 at RBS Citizens’ “Personal Checking with Interest,⁷³” M&T Bank’s “MyChoice Plus Checking,⁷⁴” Sovereign Bank’s “Preferred Checking,⁷⁵” and Bank of the West’s “Choice Interest Checking.⁷⁶” Fifth Third’s “Enhanced Checking⁷⁷” requires \$20,000 minimum balance in combined deposit and investment accounts to avoid fees on its interest bearing account.

The only banks that waive interest checking fees for direct deposit typically require rather large amounts to be deposited. PNC’s “Performance Checking⁷⁸” costs \$10 per month unless the accountholder direct deposits \$2,000 per month or maintains \$1,500 in average balance. The Regions’ “LifeGreen Preferred Checking⁷⁹” account costs \$18 unless the customer has a mortgage with the bank or an average \$5,000 balance or \$25,000 in combined balances. At U.S. Bank, the

⁶⁵ <https://www.bankofamerica.com/>, last visited October 5, 2012.

⁶⁶ <https://www.chase.com/online/>, last visited October 5, 2012.

⁶⁷ <http://www.bbt.com>, last visited October 5, 2012.

⁶⁸ <http://www.tdbank.com/>, last visited October 5, 2012.

⁶⁹ <https://www.key.com>, last visited October 5, 2012.

⁷⁰ <https://esecure.tdbank.com/net/accountopening/apply4.aspx?state=DC&city>, last visited October 5, 2012.

⁷¹ http://www.capitalone.com/checking-accounts/?linkid=WWW_1009_SAVG_A0B2084C0D22A0E8F33F90B8G1F85H5AF4I7CC8_HOME_H1_09_T_CK_ACTHOME, last visited October 5, 2012.

⁷² <https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Performance+Checking>, last visited October 5, 2012.

⁷³ <http://www.citizensbank.com/checking/personal-with-interest.aspx>, last visited October 5, 2012.

⁷⁴ <https://raisethegreenflag.com/AccountSelection/20002>, last visited October 5, 2012.

⁷⁵ <http://www.sovereignbank.com/personal/banking/checking/sovereign-preferred-checking.asp>, last visited October 5, 2012.

⁷⁶ <https://www.bankofthewest.com/personal-banking/checking-accounts/choice-interest.html>, last visited October 5, 2012.

⁷⁷ <https://www.53.com/site/personal-banking/checking/enhanced.html>, last visited October 5, 2012.

⁷⁸ <https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Performance+Checking>, last visited October 5, 2012

⁷⁹ http://www.regions.com/personal_banking/preferred_plus.rf, last visited October 5, 2012.

“Platinum Checking Package⁸⁰” costs up to \$19.95 per month unless the customer has a relationship with U.S. Bank Trust Services or keeps \$25,000 in combined balances. SunTrust’s “Solid Choice⁸¹” account waives fees with a mortgage, and also waives fees if a minimum \$5,000 balance is maintained. Sovereign Bank’s “Preferred Checking⁸²” account costs \$15 per month that is waived with direct deposit or an average balance of \$2,500.

The high cost of interest-bearing checking accounts, coupled with extremely high balance requirements to avoid fees make selecting this account a bad choice for Low-Balance/High Overdraft customers and for many American families in general. Any interest earned during the year is likely to be more than wiped out by the occasional monthly fee when accountholders are not able to maintain high balances. Since direct deposit is not used to waive fees for most interest-bearing accounts at the largest banks, interest checking is not a good deal for families who live paycheck to paycheck or keep modest reserves in checking. (See Chart 4)

Penalty Fees and Features: In addition to learning about monthly account fees and conditions for waiving fees, we must consider the penalty fees charged by banks when consumers make mistakes on their balance or the soundness of a deposited payment. The most common of these penalty fees are overdraft, nonsufficient funds, and deposit item returned fees.

Banks charge a per item fee when transactions are initiated against insufficient funds. Banks will use either the bank’s money to cover the transaction, called an **overdraft (OD)**, or return the check or other transaction unpaid, called a **nonsufficient funds (NSF)** transaction or “bounced check.” Consumers must pay overdraft loans and fees immediately or payment is set off against any future deposit. Banks are required to get affirmative consent from consumers to charge fees for overdrafts triggered by debit card point of sale transactions or ATM withdrawals. Banks do not have to get consent to charge overdraft fees for all other types of transactions, including overdrafts triggered by checks, recurring debits, or electronic bill payment. While banks may permit consumers to opt-out of overdraft coverage for checks/ACH transactions, they are not required to do so.

For a large majority of the banks surveyed, overdraft fees ranged between \$33 and \$38. (A few banks charged a lower fee for initial overdrafts defined by either number of overdrafts or time period; for example, PNC Bank’s “Free Checking⁸³” and “Performance Checking⁸⁴” accounts charged \$25 for the first overdraft in a twelve-month period but \$36 after that.) Keybank’s “Key Coverage⁸⁵” and “Key Privilege⁸⁶” accounts did not charge for the first two overdrafts each month, or for those under \$10, and only \$18 if the checks were between \$10 and \$100, but \$39 for checks above this amount. Other steep overdraft fee maximums include \$37 per overdraft charged by Fifth

⁸⁰ <http://www.usbank.com/package/platinum.html>, last visited October 5, 2012.

⁸¹ <https://www.suntrust.com/PersonalBanking/EverydayBanking/Checking/SolidChoiceBanking>, last visited October 5, 2012.

⁸² <http://www.sovereignbank.com/personal/banking/checking/sovereign-preferred-checking.asp>, last visited October 5, 2012.

⁸³ <https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Free+Checking>, last visited October 5, 2012.

⁸⁴ <https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Performance+Checking>, last visited October 5, 2012.

⁸⁵ <https://onlinea.key.com/uap/SvltKdd?mode=3&id=KCOCHT-CARE>, last visited October 5, 2012.

⁸⁶ <https://www.key.com/personal/checking/checking-accounts-options.jsp>, last visited October 9, 2012.

Third Bank,⁸⁷ RBS Citizens,⁸⁸ Bank of the West⁸⁹ and Comerica,⁹⁰ \$37.50 at The Huntington Bank,⁹¹ \$38 at M&T⁹² and Compass⁹³ and \$38.50 at Keybank.⁹⁴

Overdraft fees are charged per item, not per day. Twenty of the surveyed banks set a maximum number of overdraft fees per day that would be charged, ranging from three per day at JPMorganChase⁹⁵ and U. S. Bank⁹⁶ to eight overdraft fees in one day at BB&T.⁹⁷ The banks with no daily limits are Fifth Third Bank,⁹⁸ Sovereign,⁹⁹ HSBC,¹⁰⁰ New York Community Bank,¹⁰¹ and First Citizens Bank.¹⁰²

In a previous report on the overdraft fees and practices of the largest fourteen banks, CFA included information on banks' sustained overdraft fees and the cost comparison between borrowing via a bank's overdraft program and using a storefront payday loan. For more information on sustained overdraft fees, please see the 2012 CFA Survey of Big Bank Overdraft Loan Fees and Terms.¹⁰³

Banks typically charge the same fee for covering an overdraft as for returning a check or debit unpaid, called a nonsufficient funds fee (NSF). Of the twenty-five banks surveyed, only New York Community Bank¹⁰⁴ charged a different fee for NSF and ODs, charging \$30 for a returned check and \$36 to cover an overdraft. If consumers opt-out of overdraft coverage of checks, recurring debits, or electronic bill payments, a bank will charge a nonsufficient funds fee but not extend credit to cover the transaction. In that case, the merchant to whom the NSF check was written may charge the consumer a penalty fee as well. However, a consumer whose check was returned unpaid will not have the face value of the check deducted from the next deposit in the account to repay the face amount of the check in addition to the fee as happens with an overdraft.

Banks also typically charge a **deposit item returned fee (DIR)** when an account holder deposits a check that is returned for insufficient funds in the check-writer's bank account. The account holder who deposits the check does not know its status but is charged the penalty fee by his or her bank. DIR fees for the twenty-four surveyed banks for which CFA found this fee information range from \$6 to \$25 per transaction. The most typical DIR fees are in the \$10 to \$15 range.

⁸⁷ <https://www.53.com>, last visited October 5, 2012.

⁸⁸ <http://www.citizensbank.com/>, last visited October 5, 2012.

⁸⁹ <https://www.bankofthewest.com/>, last visited October 5, 2012.

⁹⁰ <http://www.comerica.com>, last visited October 5, 2012.

⁹¹ <https://www.huntington.com/>, last visited October 5, 2012.

⁹² <https://www.mtb.com/personal/Pages/Index.aspx>, last visited October 5, 2012.

⁹³ <http://www.bbvacompass.com/>, last visited October 5, 2012.

⁹⁴ <https://www.key.com/about/welcome.jsp>, last visited October 5, 2012.

⁹⁵ <https://www.chase.com/online/Checking/chase-checking-account.htm>, last visited October 5, 2012.

⁹⁶ <http://www.usbank.com/>, last visited October 5, 2012.

⁹⁷ <http://www.bbt.com/bbt/personal/products/>, last visited October 5, 2012.

⁹⁸ <https://www.53.com>, last visited October 5, 2012.

⁹⁹ <http://www.sovereignbank.com/>, last visited October 5, 2012.

¹⁰⁰ <http://www.us.hsbc.com/1/2/3/personal?home=personal>, last visited October 5, 2012.

¹⁰¹ <http://www.mynycb.com>, last visited October 5, 2012.

¹⁰² <https://www.firstcitizens.com/>, last visited October 5, 2012.

¹⁰³ Consumer Federation of America, "2012 CFA Survey of Big Bank Overdraft Loan Fees and Terms," June 2012.

<http://www.consumerfed.org/pdfs/Studies.CFAOverdraftSurveyUpdateJune2012.pdf>.

¹⁰⁴ <http://www.mynycb.com>, last visited October 5, 2012.

CFA also collected information on the cost and terms of **overdraft protection services**, including transfers from linked savings to checking accounts or lines of credit to cover overdrafts and avoid the per item overdraft fee. As we noted in the Raddon survey results, apparently few consumers use these lower cost overdraft services. We found information on overdraft protection programs from all but two banks. Banks charge from \$7 to \$20 per transfer to link checking to savings accounts for overdraft coverage. RBS Citizens¹⁰⁵ and Associated Bank¹⁰⁶ charge one \$30 annual fee for this service. The Huntington National Bank¹⁰⁷ and Keybank¹⁰⁸ charge no fee for transfers from a linked savings account. Of course, overdraft coverage is only helpful to consumers if they have savings accounts with a sufficient reserve for linked accounts, are creditworthy enough to qualify for an overdraft line of credit, or have capacity available on credit cards to serve as back-up for empty checking accounts. Even so, paying \$10 or \$12 to move your own funds from savings to checking can add up. Consumers with online banking can monitor their balances and transfer funds themselves from savings to checking without paying a fee.

Banks charge a dizzying array of additional fees for various account services and products which CFA did not survey for this project. When considering the total cost of using a bank's checking account, fees for ATM transactions, stop payments, and other functions must be added in. To allow for a simple analysis of the cost of owning and using a bank account, CFA limited this project to monthly fees and the most common penalty fees triggered by overdrafts, nonsufficient funds, and returned deposits. (See Chart 5)

Can Consumers Meet Bank Requirements to Avoid Monthly Fees

Checking accounts are structured very similarly at the majority of banks surveyed, especially among the top ten largest banks. Their accounts have minimum or average balances to avoid monthly fees that are too high for most checking customers to meet. However, customers can avoid the monthly fees by regular direct deposit of paychecks or government benefits, and a large majority of these customers have access to this option and use it. So, we would expect that a large majority of checking customers can avoid monthly fees for non-interest checking accounts. And some of those who are charged these fees could probably take steps to avoid them or select different accounts better suited to their deposit and balance patterns.

Those having the most difficulty avoiding monthly fees have low incomes. Among those with household incomes below \$20,000 -- about one-fifth of all households -- few maintain minimum or average balances large enough to avoid bank account monthly fees. For example, 85 percent of low-income respondents in the Raddon survey said their balances typically dipped below \$500 in a month. Yet, this population appears to have far less access to direct deposit options that would allow them to avoid the monthly fees. Only one-quarter of low-income respondents said they directly deposit paychecks. In the Raddon survey, the percentage of direct paycheck depositors is 52 percent for those with incomes between \$20,000 and \$39,999, 66 percent for those with incomes between \$40,000 and \$74,000, and over 80 percent for those with incomes \$75,000 and above. As a result, many low-income households have great difficulty avoiding monthly fees due to low balances and no access to or use of direct deposit.

¹⁰⁵ <http://www.citizensbank.com/>, last visited October 5, 2012.

¹⁰⁶ <https://www.associatedbank.com>, last visited October 5, 2012.

¹⁰⁷ <https://www.huntington.com/>, last visited October 5, 2012.

¹⁰⁸ <https://www.key.com/about/welcome.jsp>, last visited October 5, 2012.

As indicated earlier, low-income checking customers also are more likely than those from other income groups to overdraw their account -- nearly two-fifths (38%) reported doing so in the past two years -- adding relatively expensive overdraft fees to monthly account fees. Nearly one-third said their banks charged overdraft fees on a per item basis, and very few noted that they were not charged overdraft fees because they had established other methods of covering overdrafts, such as linked savings or credit cards or overdraft lines of credit.

Impact of Checking Account Pricing and Customer Use Patterns on Annual Cost

To illustrate the impact of bank account pricing thresholds and penalty fees on affordability of accounts by consumers, CFA constructed a chart showing the annual cost for each surveyed account for consumers who met each bank's threshold for avoiding monthly fees, the annual cost if thresholds could not be met or fees could not be waived, and the cost for both if consumers had one insufficient funds check, one overdraft fee, and one deposit item returned. Our calculations did not include banks' sustained overdraft fees charged when consumers do not repay overdrafts and fees in just a few days. The FDIC study of bank overdraft programs found that customers with five or more overdrafts accrued over 93 percent of the total paid for insufficient funds transactions and that customer accounts with twenty or more nonsufficient funds transactions were charged \$1,610 per year in penalty fees on average.¹⁰⁹

Consumers who are able to meet their banks' conditions for avoiding monthly fees or who selected a no-monthly fee account would still incur from \$39 (U. S. Bank¹¹⁰) to \$91 (M&T Bank¹¹¹) in penalty fees if only one transaction per year overdrew the account, one check was returned unpaid by the bank, and one deposit was returned. Since our data showed that higher income consumers who have either direct deposit or maintain balances sufficient to avoid monthly fees still rack up overdraft and nonsufficient funds fees, the cost of penalty fees can be significant for all banked consumers.

The cost of using a bank account for a year jumps dramatically if consumers who cannot avoid monthly fees also incur penalty fees for overdrafts, bounced checks and returned deposits. If only one item each overdraws the account, is rejected for insufficient funds or is returned to the issuer, consumers will pay up to \$385 per year. The annual account cost plus penalty fees ranges from \$62 at PNC's "Free Checking"¹¹² to \$382 for Bank of America's "Advantage with Tiered Interest"¹¹³ and BB&T's "Elite Gold"¹¹⁴ and \$385 for the TD Bank "Premier Account"¹¹⁵ with paper statements

¹⁰⁹ Federal Deposit Insurance Corporation, "FDIC Study of Bank Overdraft programs," November 2008, at iv.

¹¹⁰ <http://www.usbank.com/>, last visited October 5, 2012.

¹¹¹ <https://www.mtb.com/personal/Pages/Index.aspx>, last visited October, 5 2012.

¹¹²

<https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Free+Checking>, last visited October 5, 2012.

¹¹³ http://www.bankofamerica.com/deposits/checksave/index.cfm?template=check_advantage, last visited October 5, 2012.

¹¹⁴ <http://www.bbt.com/personal/products/elitegold/Default.asp?state=dc>, last visited October 5, 2012.

¹¹⁵ <https://esecure.tdbank.com/net/accountopening/apply4.aspx?state=DC&city>, last visited October 5, 2012.

Annual Cost of Accounts

To gauge the affordability of bank accounts for low-to moderate income (LMI) consumers, CFA ranked surveyed accounts by total annual cost of just the monthly account fees, grouping accounts that cost up to \$60 per year, accounts that cost \$61 to \$100 per year, and those that cost \$100 to \$200 per year, and those that cost more than \$200 per year. We assumed that consumers did not have access to direct deposit and could not keep sufficient funds on deposit to waive fees and that no penalty fees were incurred. This calculation assumes no overdrafts, bounced checks or returned deposits or other account fees such as foreign ATM usage.

Consumers can get free checking at six of the largest 25 banks without minimum balance or direct deposit requirements. These include First Citizens Bank’s “Free Checking,¹¹⁶” Huntington National Bank’s “Asterisk-Free Checking,¹¹⁷” M&T Bank’s “Free Checking,¹¹⁸” New York Community Bank’s “My Community Free Checking¹¹⁹” and My Community Interest Checking,¹²⁰ and PNC’s “Free Checking.¹²¹” Seven additional accounts cost \$60 or less per year. (See Chart 7)

Accounts that cost \$61 to \$100 per year for consumers who cannot avoid fees by maintaining balances or receiving funds via direct deposit total nine accounts. Of those, nearly half require consumers to receive their monthly statements online to get the account costs under \$100 per year. (See Chart 8)

In the \$101 to \$200 annual cost range for surveyed accounts, nineteen are non-interest bearing accounts while the twelve interest bearing accounts are generally on the high-end of this cost category. In this category, Bank of America’s all-electronic account, eBanking,¹²² costs \$107.40 per year but this fee can be avoided if the consumer uses ATMs and online banking for all transactions and receives account statement electronically. (See Chart 9)

On the high end of the annual cost scale, eleven banks have accounts that cost more than \$200 per year with five of these accounts costing \$300 a year, including Bank of America’s “Advantage with Tiered Interest Checking,¹²³” BB&T’s “Elite Gold,¹²⁴” Keybank’s “Key Privilege Checking Account,¹²⁵” Chase’s “Premier Plus Checking,¹²⁶” and TD Bank’s “TD Premier¹²⁷” with paper

¹¹⁶ <https://www.firstcitizens.com/personal/checking/find-checking-account/free-checking/>, last visited October 5, 2012.

¹¹⁷ https://www.huntington.com/pas/free_checking.htm, last visited October 5, 2012.

¹¹⁸ https://services.mtb.com/personal/accounttypes/checking_free.cfm, last visited October 5, 2012.

¹¹⁹ <http://www.mynycb.com/index.asp?divID=1§ionID=personal&subsectionID=checking&pageID=freechk>, last visited October 5, 2012.

¹²⁰ <http://www.mynycb.com/index.asp?divID=1§ionID=personal&subsectionID=checking&pageID=interest>, last visited October 5, 2012.

¹²¹ <https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Free+Checking>, last visited October 5, 2012.

¹²² http://www.bankofamerica.com/deposits/checksave/index.cfm?template=check_eBanking, last visited October 5, 2012.

¹²³ http://www.bankofamerica.com/deposits/checksave/index.cfm?template=check_advantage, last visited October 5, 2012.

¹²⁴ <http://www.bbt.com/personal/products/elitegold/Default.asp?state=dc>, last visited October 5, 2012.

¹²⁵ <https://www.key.com/personal/checking/checking-account-details.jsp>, last visited October 5, 2012.

¹²⁶ <https://www.chase.com/online/Checking/chase-checking-account.htm>, last visited October 5, 2012.

¹²⁷ <https://esecure.tdbank.com/net/accountopening/apply4.aspx?state=DC&city>, last visited October 5, 2012.

statements. All of the \$300 per year accounts are interest-bearing checking accounts with minimum or average balances to avoid fees ranging from \$2,500 for TD Premier¹²⁸ to \$25,000 in combined accounts at Keybank¹²⁹ and BB&T.¹³⁰ (See Chart 10)

Implications for Policymakers

The strong focus on banking the “unbanked” and strengthening economic inclusion by helping consumers enter and stay in the mainstream financial market requires adoption of public policies to support bank account ownership. The large segment of the public who cannot maintain large balances in bank accounts and who are not paid via direct deposit are not able to avoid rising monthly bank account fees at most banks. While some banks offer basic checking and all-electronic accounts at lower or no fees, the growing lack of free or low cost checking is eroding the affordability of simple transaction accounts for many Americans. While consumers are more likely to find lower cost accounts at smaller community banks and at credit unions not included in the survey, the major banks with large footprints of branches and ATM networks are generally pricing consumers with modest income out of using their services.

1. Make it easy to shop for bank accounts

Consumers shopping for the best deal on bank accounts must be able to easily access standard fee schedules and clear disclosures in order to be able to select accounts with features they need at a cost they can afford. CFA and other groups filed comments¹³¹ earlier this year, urging the Consumer Financial Protection Bureau to require simplified, standardized disclosure formats for bank accounts. The Pew Safe Checking project is promoting¹³² a model disclosure form that some banks have adopted. The Truth in Savings Act requires pre-account selection disclosure of key bank fees, but it is still too difficult to locate comparable fee information on bank websites and in bank lobbies.

2. Upgrade consumer protections for prepaid debit cards

For those seeking less expensive options, consumers may pay less but get less functionality with all-electronic or prepaid debit card-based accounts that come with no check writing. To the extent that consumers turn to bank prepaid debit cards as an alternative to mainstream checking accounts, it is extremely important to ensure equivalent consumer protections, deposit insurance protection, and transparent and affordable fees for prepaid cards used as bank account substitutes. Currently, the federal consumer protections that cover debit cards tied to bank accounts do not extend to prepaid debit cards. The Consumer Financial Protection Bureau is considering comments on the protections that should apply to these cards and CFA joined other groups in filing comments¹³³ to urge full

¹²⁸ Ibid.

¹²⁹ <https://www.key.com/about/welcome.jsp>, last visited October 5, 2012.

¹³⁰ <http://www.bbt.com/bbt/personal/products/>, last visited October 5, 2012.

¹³¹ Consumer Federation of America, “Consumer Groups’ Comments to the CFPB: Impacts of Overdraft Programs on Consumers,” June 29, 2012. <http://www.consumerfed.org/pdfs/Comments.ConsumerGroups.Overdraft.CFPB.pdf>

¹³² Pew Safe Checking Project, “Regulatory Authority and Priorities of the Consumer Financial Protection Bureau,” September 21, 2011. <http://www.consumerfed.org/pdfs/Comments.CFA.Pew.DisclosuresLetterCFPB9.21.pdf>

¹³³ “Consumer Groups Urge the CFPB to Ban Overdraft Fees and Payday Loans on Prepaid Cards, June 24, 2012,” <http://www.consumerfed.org/pdfs/Comment.sConsumerGroupsPrepaidCard.pdf>

Electronic Fund Transfer Act coverage among other protections. CFA has also supported legislation¹³⁴ introduced by Senator Menendez to require simplified fee schedules and other protections for prepaid debit cards. CFA’s analysis of account use patterns and bank account pricing illustrates why it is so important for prepaid cards to be fully protected and affordable as consumers are priced out of mainstream banking services. Consumers considering a switch from checking accounts to prepaid cards need equal protections, affordable and simplified price structures, and clear cost disclosures for both in order to make informed decisions.

3. Curb abusive overdraft and penalty fees

This report also illustrates the extreme impact of even a few penalty fees on the total cost of being “banked” for consumers who struggle to make ends meet. A “free” checking account can suddenly cost \$62 with just three penalty fees in a year. CFA and other consumer organizations have long supported overdraft rules and limits to keep this form of high-cost lending from driving consumers out of mainstream banking. CFA and other groups recently filed comments¹³⁵ with the CFPB, calling for reasonable overdraft fees, no overdrafts on debit transactions, and credit protections for overdraft loans. The cost and terms of overdraft fees must be addressed in order to keep mainstream banking accounts accessible to low balance consumers. Banks should not be permitted to manipulate the order in which payments are processed to drive up the number of overdraft fees charged. Regulators should also look at the relationship between fees and the cost to the bank of handling the transaction. For example, banks charge the same fee for extending credit when consumers overdraw as the bank charges for rejecting a payment on insufficient funds when no credit is extended. It is questionable that it costs a bank up to \$15 for a computer to reject a deposit on insufficient funds. With Check 21, movement of “checks” is electronic with little incremental cost involved in rejecting a deposit. Penalty fees that have no relationship to the cost of the transaction impose a barrier on affordable bank accounts, especially for consumers with low balances.

Advice to Consumers

1. Shop Around.

Shop around for an account at a credit union or small community bank as well as at the larger banks to find free or low cost account options that fit your needs. Even at the largest banks, CFA found some free and low-cost accounts available. These tend to be basic accounts or provide monthly statements electronically. Periodically review your monthly bank statement to see whether the account you now have meets your use pattern or whether another account would serve you better.

2. Use Direct Deposit.

If you can get your pay or federal benefits via direct deposit, sign up for that service with your employer or benefits provider. Direct deposit is safe and makes pay or benefits available to be

¹³⁴ 112th Congress, S.2030: Prepaid Card Consumer Protection Act of 2011, <http://thomas.loc.gov/cgi-bin/query/z?c112:S.2030>:

¹³⁵ Consumer Federation of America, “Comments to the CFPB on Overdraft by Consumer Civil Rights and Housing Groups,” June, 26, 2012. <http://www.consumerfed.org/pdfs/Comment.CFPBOverdraftDocket.7.5.12.pdf>

spent faster than depositing a paper check and waiting for it to clear. Direct deposit instead of cashing your paycheck saves on check cashing fees. Federal benefit recipients are required to receive their funds via direct deposit. A side benefit of that Treasury requirement includes avoiding monthly bank account fees at many banks. Consumers who cannot receive their income via direct deposit must examine other ways to waive monthly fees, such as maintaining an average balance or using a set number of transactions per month.

3. Forget Interest-Bearing Accounts.

Avoid interest-bearing checking accounts unless you maintain a large combined deposit at the bank or meet some other condition to avoid monthly fees, such as having a mortgage with the bank. Almost none of the largest banks waived fees for interest accounts if the accountholder had direct deposit. The monthly fees incurred when the balance falls below the high level to avoid fees, even if this happens once or twice during the year, would cost more in fees than the amount earned in interest for many consumers. Unless you have extremely high-balances or combined accounts or large mortgages with a bank, you are better off selecting a non-interest bearing checking account.

4. Do Not Opt In to Pay Overdraft Fees.

Do not opt in to pay overdraft fees triggered by purchases and withdrawals using your debit card. Banks have to get your permission to charge overdraft fees for those two types of transactions. If you do NOT opt in, the debit card purchase or ATM withdrawal will be denied by the bank at no cost to you. You can still be charged overdraft fees triggered by checks or electronic bill payments unless you opt out of these overdraft fees at your bank. Remember that the bank will charge a nonsufficient funds fee if paper checks and electronic payments are returned unpaid because you do not have enough money in the account to cover them or have not arranged another way to cover short-falls in your account.

5. Maintain a Cushion to Avoid NSF Fees.

To avoid the high cost of overdraft and nonsufficient funds fees, keep a cushion of money in your checking account and pay close attention to the timing of payments and when deposited funds are available to be spent. Assume that there is no “float” between the time you write a check or swipe a card and the time the funds are deducted from your account. Keep track of all your transactions so you know how much money should be in the account. To cover overdrafts, link your checking account to your savings account or credit card if you have one. You may also be able to sign up for email or text alerts from your bank when your balance runs low. If you transfer money yourself from your savings to your checking account, you will avoid the overdraft transfer fee charged by many banks.

6. Consider checkless checking options.

A few banks in the survey have all-electronic accounts and prepaid debit cards which cannot be overdrawn or trigger bounced check fees. Typically, consumers will pay a monthly fee to use the card and can get free deposit of funds to cards via direct deposit or at the bank branch, although a few banks charge to load funds. Prepaid debit cards are not covered by the Electronic Fund Transfer Act protections but are typically structured to be covered by FDIC insurance.

Consumers who have trouble avoiding NSF and overdraft fees may find bank card-based accounts with a fixed monthly fee an affordable option to a full-featured checking account. As with all prepaid debit cards, consumers have to be careful to avoid extra fees that deplete funds, especially when using the card at another bank's ATM or in loading funds at a retail location. Banks may charge fees for written statements, for customer service, and for other routine use of prepaid cards. However, if the goal is to have a deposit account that cannot be overdrawn, consumers can consider a prepaid card option.

Chart 1: Basic or Budget Accounts				
Bank Name:	Account:	Monthly Fee for Account:	How to Waive Fee:	Minimum (Min) or Available (Av) Balance Necessary to Avoid Fee:
Wells Fargo	Value Checking Account	\$7 Paper Statements \$5 Online Statements	DD or Bal	Av \$1,500
PNC Bank	Virtual Wallet	N/A	N/A	N/A
Regions	Regions Basic Checking	\$5	N/A	N/A
SunTrust	Everyday Checking	\$7	DD of \$100+ or Bal	Min \$1500
TD Bank	TD Simple	\$3.99 Paper Statements \$2.99 Online Statements	N/A	N/A
M&T Bank	Free Checking	N/A	N/A	N/A
Sovereign	Sovereign Classic Banking	\$5	Bal	Av \$500
HSBC Bank	Basic Banking	\$3	N/A	N/A
First Citizens Bank	Free Checking	N/A	N/A	N/A

Chart 2: Electronic Accounts				
Bank Name:	Account:	Monthly Fee for Account:	How to Waive Fee:	Minimum (Min) or Available (Av) Balance Necessary to Avoid Fee:
Bank of America	eBanking	\$8.95	Use ATMs and Online Banking for all deposits and withdrawals, and by receiving account statements electronically	None
Fifth Third	eAccess Account	\$0. Must have DD of \$500/mo	N/A	None
Keybank	Key Express Checking	\$5	Deposit of \$500+ or initiate five account transactions	None

Chart 3: Non-Interest Checking Accounts

Bank Name:	Account:	Monthly Fee for Account:	How to Waive Fee:	Minimum (Min) or Available (Av) Balance Necessary to Avoid Fee:
Wells Fargo	Way2Save Checking	\$10: Paper Statements \$8: Online Statements	Open with packaged savings account AND either Balance (Bal) or Direct Deposit (DD) of \$750+	Min \$2,000
Bank of America	MyAccess Checking	\$12.00	DD of \$250/mo+ or Bal	Av \$1,500
JPMorgan Chase Bank	Chase Total Checking	\$10	DD of \$500+, or Minimum Bal, or Average Bal	Min \$1,500, or Av \$5,000 in linked accts
U.S. Bank	Easy Checking	\$8.95 Paper Statements \$6.95 Online Statements	DD of \$500+, or Bal	Av \$1,500
PNC Bank	Free Checking	\$0	N/A	N/A
BB&T	Bright Banking	\$10	DD of \$200+, Bal, or BBT Mortgage	Av \$1,500, or Av \$6,000 in linked accts
Regions	Regions LifeGreen Checking	\$10	DD of \$500 or \$1000 combined over monthly cycle, Bal	Av \$1,500
SunTrust	Balanced Banking	\$12	Bal	Min \$3,000 Combined
Fifth Third	Essential Checking	\$11, or \$8 with DD of 500+	Bal,	Av \$1,500 between Savings and Checking
RBS Citizens	Green Checking	\$9.99	Bal, or 5 of the following per month: ATM withdrawal, automatic billing, electronic bill payment, debit purchases, paid checks	Av \$1,500

Bank Name:	Account:	Monthly Fee for Account:	How to Waive Fee:	Minimum (Min) or Available (Av) Balance Necessary to Avoid Fee:
TD Bank	TD Convenience	\$15 Paper Statements \$14 Online statements	Bal	Min \$100
Citibank	BasicChecking	\$10	Bal, or 1 DD + 1 Bill Payment	Av \$1,500
Keybank	Key Coverage Checking	\$12	N/A	None
Capital One	Rewards Checking	\$8. 95	Bal or DD	Min \$300
M&T Bank	MyChoice Checking	\$6.95	DD, or Bal, or 10+ debit purchases	Av \$500
Compass	Build-to-Order Checking	\$10.95	DD of \$300+, or Bal, or Student Under 25	Av \$1,500
Bank of the West	Easy Checking	\$10 Paper Statements \$8 Online Statements	DD of \$250+, or Bal, or 10+ Debit Purchases	Av \$1,000
The Huntington National Bank	Huntington Asterisk-Free Checking	\$0	N/A	N/A
HSBC Bank	Choice Checking	\$8	DD, or Bal	\$1,500 Deposit, Bal, or \$5,000 Combined Bals
Associated Bank	Advantage	\$10	DD, or Bal, or 5+ electronic transfer, or have a Associated Bank mortgage	Min \$500, or \$2500 combined deposits + loan bal
Comerica Bank	Access Checking	\$10	DD \$150+, Bal, or College Student under 26	Min \$750
Union Bank (from California)	Union Bank Essentials Checking	\$10 Paper Statements \$8 Online Statements	DD \$100+, or Bal	Av \$1,500 , or Av \$5,000 in linked accts
New York Community Bank	My Community Free Checking	\$0	N/A	N/A
First Citizens Bank	Select Checking	\$8	DD of \$250/mo+ or Bal	Min \$1,500

Chart 4: Interest-Bearing Checking Accounts

Bank Name:	Account:	Monthly Fee for Account:	How to Waive Fee:	Minimum (Min) or Available (Av) Balance Necessary to Avoid Fee:
Wells Fargo	Preferred Package	\$15 Paper Statements \$13 Online Statements	Open with a packaged savings account AND either Balance (Bal) or a Wells Fargo Mortgage	Min \$10,000
Bank of America	Advantage with Tiered Interest Checking	\$25.00	\$10,000 Combined Bal, or \$15,000 Loan or Line of Credit, or \$15,000 in total assets in linked brokerage accounts, or a Bank of America first mortgage	N/A
JPMorgan Chase Bank	Chase Premier Plus Checking	\$25	Bal	Av \$15,000 in combined accounts
U.S. Bank	Platinum Checking Package	\$19.95 Paper Statements \$17.95 Online Statements	Bal or "relationship with U.S. Bank Trust Services"	Min \$25,000 combined
PNC Bank	Performance Checking	\$10	DD of \$2000 per monthly cycle, Bal	Av \$1,500, or Av \$10,000 in combined accts
BB&T	Elite Gold	\$25	Bal or \$150,000+ mortgage	\$25,000 in combined accounts
Regions	Regions LifeGreen Preferred Checking	\$18	Bal or Mortgage	Av \$5,000, Min \$25,000 in combined accounts
SunTrust	Solid Choice	\$17	Bal or Mortgage	Min \$5,000, or \$10,000 Combined or Sun Trust Mortgage
Fifth Third	Enhanced Checking	\$20	Bal	Min \$20,000 in deposit and investment accounts
RBS Citizens	Personal Checking with Interest	\$11.99	Bal or 5 of the following per month: ATM withdrawal, automatic billing, electronic bill payment, debit purchases, paid checks	Av \$2,500
TD Bank	TD Premier	\$25 Paper Statements \$24 Online Statements	Bal	Min \$2,500

Bank Name:	Account:	Monthly Fee for Account:	How to Waive Fee:	Minimum (Min) or Available (Av) Balance Necessary to Avoid Fee:
Citibank	The Citibank Account	\$20	Bal	Min \$15,000
Keybank	Key Privilege Checking Account	\$25	Bal, or Have a KeyBank business checking account and use fee waiver as part of the Key Total Banking program, or Have a KeyBank Mortgage with automatic payment deduction plan	\$25,000
Capital One	High Yield Free Checking	No Fee	Must maintain bal. or have Capital One home loan. If not, account closed	Combined \$5,000
M&T Bank	MyChoice Plus Checking	\$15	Bal or M&T mortgage of \$100,000+	Av \$2,500 or \$5,000 in combined accounts
Compass	CompassLINK Checking	\$20	Bal	Av \$5,000, or Min \$7,500 in linked installment loans
Sovereign	Preferred Checking	\$15	DD, Bal	Av \$2,500, or \$7,500 in combined accounts
Bank of the West	Choice Interest Checking	\$10	Bal	Av \$2,500, or \$5,000 Av in combined accounts
The Huntington National Bank	Huntington Plus Checking	\$15	Bal	Min \$15,000 in combined accounts
HSBC Bank	Plus Checking	\$15	Bal	\$15,000 in combined accounts
Associated Bank	Advantage Plus Checking	\$13	Bal	Min \$,1000, or \$5,000 combined deposits + loan balance
Comerica Bank	Rich Rewards Checking	\$16	Bal	Min \$2,500 bal or \$5,000 in combined accounts
Union Bank (from California)	Tiered Interest Checking	\$13 Paper Statement \$11 Online Statement	Bal	Min \$2,500 or Av \$5,000 or \$7,500 in combined accounts
New York Community Bank	My Community Interest Checking	N/A	N/A	Min \$500
First Citizens Bank	Premier Checking	\$16	Bal	Av \$5,000 in combined accounts

Chart 5: Bank Penalty Fees

Bank Name:	Overdraft (OD) Fee:	Not Sufficient Funds (NSF) Fee (Per Item):	Fee for Overdraft Protection Transfer (From other account or line of credit):	Maximum Number of Overdrafts Per Day:	Deposit Item Returned Fee:
Wells Fargo	\$35	\$35	\$12.50	4	\$12
Bank of America	\$35	\$35	\$10	4	\$12
JPMorgan Chase Bank	\$34	\$34	\$12	3	\$12
U.S. Bank	\$10 if overdraft is under \$20, \$33 if \$20.01+	\$10 if overdraft under \$20, \$33 if \$20.01+	\$10	3 OD, 3 NSF	\$19
PNC Bank	\$25 first per year \$36 after	\$25 first per year \$36 after	None	4	\$12
BB&T	\$35	\$35	\$10	8	\$12
Regions	\$36	\$36	\$15	6 OD, NSF	\$15
SunTrust	\$25 first \$36 after	\$25 first \$36 after	\$12.50	6 OD, 6 NSF	\$12.50
Fifth Third	\$25 first, \$33 2-4, \$37 4+	\$25 first, \$33 2-4, \$37 4+	\$10 (1-10 uses) \$15 (11-20) \$20 (21+)	No Cap	\$15
RBS Citizens	\$22 first, \$37 2+	\$22 first, \$37 2+	\$30/yr- if your account is linked to savings acct, \$30/yr+ \$10/trans- if linked to a line of credit	7	\$20
TD Bank	\$35	\$35	\$10	5	\$15
Citibank	\$34	\$34	\$10	4	\$10
Keybank	1-2: \$34, 3+: \$38.50	1-2: \$34, 3+: \$38.50	Free	5	\$10 + original fee
Capital One	\$35	\$35	N/A	5	\$10
M&T Bank	\$38	\$38	\$10	5	\$15
Compass	\$38	\$38	\$12	6	\$6
Sovereign	\$35	\$35	\$12	No Cap	\$15
Bank of the West	\$25 first (either a OD or NSF), \$33 2-4, \$37 4+	\$25 first (either a OD or NSF)\$33 2-4, \$37 4+	\$12	4	\$10

Bank Name:	Overdraft (OD) Fee:	Not Sufficient Funds (NSF) Fee (Per Item):	Fee for Overdraft Protection Transfer (From other account or line of credit):	Maximum Number of Overdrafts Per Day;	Deposit Item Returned Fee:
The Huntington National Bank	\$23 first/yr \$37.50 after	\$23 first/yr \$37.50 after	None if from a savings account, \$10 if from a Credit Card	4 OD + 4 NSF	\$10
HSBC Bank	\$35	\$35	\$10	No Cap	DNF
Associated Bank	\$35	\$35	no trans \$30/yr	5	\$12
Comerica Bank	\$25 first (OD or NSF), \$33 2-4, \$37 4+	\$25 first (OD or NSF), \$33 2-4, \$37 4+	\$7 (1-4 uses) \$12 (5-7) \$16 (8+)	5	\$10
Union Bank (from California)	\$33	\$33	\$10	5	\$25
New York Community Bank	\$36	\$30	\$20	No Cap	\$10
First Citizens Bank	\$35	\$35	None if from a savings account, \$10 per day if from line of credit	No Cap	\$7

Chart 6: Impact of Penalty Fees on Annual Account Cost

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement	Annual Cost of Account (Fees Waived) and 1 OD, 1 NSF, 1 DIR per year	Annual Cost of Account (With Monthly Fees) and 1 OD, 1 NSF, 1 DIR per year
Wells Fargo	Value Checking Account	With Paper Statements: \$84 With Online Statements: \$60	\$82	With Paper Statements: \$166 With Online Statements: \$142
Wells Fargo	Way2Save Checking	With Paper Statements: \$120 With Online Statements: \$96	\$82	With Paper Statements: \$202 With Online Statements: \$178
Wells Fargo	Preferred Package	With Paper Statements: \$180 With Online Statements: \$156	\$82	With Paper Statements: \$262 With Online Statements: \$238
Bank of America	eBanking	\$107.40	\$82	\$189.40
Bank of America	MyAccess Checking	\$144	\$82	\$226
Bank of America	Advantage with Tiered Interest Checking	\$300	\$82	\$382
JPMorgan Chase Bank*	Chase Total Checking	\$120	\$80	\$200
JPMorgan Chase Bank*	Chase Premier Plus Checking	\$300	\$80	\$380
U.S. Bank	Easy Checking	\$107.40 With Paper Statements \$83.40 With Online Statements	\$39	\$146.40 With Paper Statements \$122.40 With Online Statements
U.S. Bank	Platinum Checking Package	With Paper Statements: \$239.40 With Online Statements: \$215.40	\$39	With Paper Statements: \$278.40 With Online Statements: \$254.40

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement	Annual Cost of Account (Fees Waived) and 1 OD, 1 NSF, 1 DIR per year	Annual Cost of Account (With Monthly Fees) and 1 OD, 1 NSF, 1 DIR per year
PNC Bank	Free Checking	None	\$62	\$62
PNC Bank	Performance Checking	\$120	\$62	\$182
BB&T	Bright Banking	\$120	\$82	\$202
BB&T	Elite Gold	\$300	\$82	\$382
Regions	Regions Basic Checking	\$60	\$87	\$147
Regions	Regions LifeGreen Checking	\$120	\$87	\$207
Regions	Regions LifeGreen Preferred Checking	\$216	\$87	\$303
SunTrust	Everyday Checking	\$84	\$62.50	\$146.60
SunTrust	Balanced Banking	\$144	\$62.50	\$206.50
SunTrust	Solid Choice	\$204	\$62.50	\$266.50
Fifth Third	eAccess Account	\$0	\$65	\$65
Fifth Third	Essential Checking	\$132, \$96 with DD of 500+/mo	\$65	\$197, \$161 with DD of 500+/mo
Fifth Third	Enhanced Checking	\$240	\$65	\$305
RBS Citizens	Green Checking	\$119.88	\$64	\$183.88
RBS Citizens	Personal Checking with Interest	\$143.88	\$64	207.88
TD Bank	TD Simple	\$47.88 With Paper Statements \$35.88 With Online Statements	\$85	\$132.88 With Paper Statements \$120.88 With Online Statements
TD Bank	TD Convenience	With Paper Statements: \$180 With Online Statements: \$168	\$85	With Paper Statements: \$265 With Online Statements: \$253
TD Bank	TD Premier	With Paper Statements: \$300 With Online Statements: \$288	\$85	With Paper Statements: \$385 With Online Statements: \$373
Citibank	BasicChecking	\$120	\$78	\$198

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement	Annual Cost of Account (Fees Waived) and 1 OD, 1 NSF, 1 DIR per year	Annual Cost of Account (With Monthly Fees) and 1 OD, 1 NSF, 1 DIR per year
Citibank	The Citibank Account	\$240	\$78	\$318
Keybank	Key Express Checking	\$60	\$78	\$138
Keybank	Key Coverage Checking	\$144	\$78	\$222
Keybank	Key Privilege Checking Account	\$300	\$78	\$378
Capital One	Rewards Checking	\$107	\$80	\$187
Capital One	High Yield Free Checking	\$0	\$80	\$80
M&T Bank	Free Checking	\$0	\$91	\$91
M&T Bank	MyChoice Checking	\$83.40	\$91	\$92
M&T Bank	MyChoice Plus Checking	\$180	\$91	\$271
Compass	Build-to-Order Checking	\$131.40	\$82	\$213
Compass	CompassLINK Checking	\$240.00	\$82	\$322
Sovereign	Sovereign Classic Banking	\$60	\$85	\$145
Sovereign	Preferred Checking	\$180	\$85	\$120
Bank of the West	Easy Checking	With Paper Statements: \$120 With Online Statements: \$96	\$68	With Paper Statements: \$205; With Online Statements: \$181
Bank of the West	Choice Interest Checking	\$120	\$68	\$188
The Huntington National Bank	Huntington Asterisk-Free Checking	\$0	\$56	\$56
The Huntington National Bank	Huntington Plus Checking	\$180	\$56	\$236
HSBC Bank	Basic Banking	\$36	\$70**	106**
HSBC Bank	Choice Checking	\$96	\$70**	\$166**
HSBC Bank	Plus Checking	\$180	\$70**	\$250**
Associated Bank	Advantage	\$120	\$82	\$202

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement	Annual Cost of Account (Fees Waived) and 1 OD, 1 NSF, 1 DIR per year	Annual Cost of Account (With Monthly Fees) and 1 OD, 1 NSF, 1 DIR per year
Associated Bank	Advantage Plus Checking	\$156	\$82	\$238
Comerica Bank	Access Checking	\$120	\$68	\$188
Comerica Bank	Rich Rewards Checking	\$192	\$68	\$260
Union Bank (from California)	Union Bank Essentials Checking	With Paper Statements: \$120 With Online Statements: \$96	\$91	With Paper Statements: \$211 With Online Statements: \$187
Union Bank (from California)	Tiered Interest Checking	With Paper Statements: \$156 With Online Statements: \$132	\$91	With Paper Statements: \$247 With Online Statements: \$223
New York Community Bank	My Community Free Checking	\$0	\$76	\$76
New York Community Bank	My Community Interest Checking	\$0	\$76	\$76
First Citizens Bank	Free Checking	\$0	\$77	\$77
First Citizens Bank	Select Checking	\$96	\$77	\$173
First Citizens Bank	Premier Checking	\$192	\$77	\$269
				**Did not Find DIR

Chart 7: Accounts that Cost \$0-\$60 Per Year

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement:
Capital One	High Yield Free Checking	\$0 (Account closed if \$5,000 combined balance not met)
First Citizens Bank	Free Checking***	\$0
The Huntington National Bank	Huntington Asterisk-Free Checking	\$0
M&T Bank	Free Checking	\$0
New York Community Bank	My Community Free Checking	\$0
New York Community Bank	My Community Interest Checking	\$0
PNC Bank	Free Checking	\$0
TD Bank	TD Simple	\$35.88 With Online Statements

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement:
HSBC Bank	Basic Banking	\$36
TD Bank	TD Simple	\$47.88 With Paper Statements
Keybank	Key Express Checking	\$60
Regions	Regions Basic Checking	\$60
Sovereign	Sovereign Classic Banking	\$60
Wells Fargo	Value Checking Account	With Online Statements: \$60
		***Must receive online statements. Otherwise, account is transitioned to a "Select Checking" account (See Chart 8).

Chart 8: Accounts that Cost \$61-\$100 Per Year

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement:
M&T Bank	MyChoice Checking	\$83.40
U.S. Bank	Easy Checking	\$83.40 With Online Statements
Wells Fargo	Value Checking Account	With Paper Statements: \$84
SunTrust	Everyday Checking	\$84
HSBC Bank	Choice Checking	\$96
First Citizens Bank	Select Checking	\$96
Bank of the West	Easy Checking	With Online Statements: \$96
Union Bank (from California)	Union Bank Essentials Checking	With Online Statements: \$96
Wells Fargo	Way2Save Checking	With Online Statements: \$96

Chart 9: Accounts that Cost \$101-\$200 Per Year

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement:
Capital One	Rewards Checking	\$107
Bank of America	eBanking	107.40
U.S. Bank	Easy Checking	\$107.40 With Paper Statements
RBS Citizens	Green Checking	\$119.88
Associated Bank	Advantage	\$120
Bank of the West	Choice Interest Checking	\$120

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement:
Bank of the West	Easy Checking	With Paper Statements: \$120
BB&T	Bright Banking	\$120
Citibank	BasicChecking	\$120
Comerica Bank	Access Checking	\$120
JPMorgan Chase Bank*	Chase Total Checking	\$120
PNC Bank	Performance Checking	\$120
Regions	Regions LifeGreen Checking	\$120

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement:
Union Bank (from California)	Union Bank Essentials Checking	With Paper Statements: \$120
Wells Fargo	Way2Save Checking	With Paper Statements: \$120
Compass	Build-to-Order Checking	\$131.40
Fifth Third	Essential Checking	\$132
RBS Citizens	Personal Checking with Interest	\$143.88
Bank of America	MyAccess Checking	\$144
Keybank	Key Coverage Checking	\$144

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement:
SunTrust	Balanced Banking	\$144
Associated Bank	Advantage Plus Checking	\$156
Union Bank (from California)	Tiered Interest Checking	With Paper Statements: \$156 With Online Statements: \$132
HSBC Bank	Plus Checking	\$180
The Huntington National Bank	Huntington Plus Checking	\$180
M&T Bank	MyChoice Plus Checking	\$180
Sovereign	Preferred Checking	\$180

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement:
TD Bank	TD Convenience	With Paper Statements: \$180 With Online Statements: \$168
Wells Fargo	Preferred Package	With Paper Statements: \$180 With Online Statements: \$156
Comerica Bank	Rich Rewards Checking	\$192
First Citizens Bank	Premier Checking	\$192

Chart 10: Accounts that Cost Over \$200 Per Year

Bank Name:	Account:	Annual Cost of Account If No Fee Waiver/Fail To Meet Requirement
SunTrust	Solid Choice	\$204
Regions	Regions LifeGreen Preferred Checking	\$216
U.S. Bank	Platinum Checking Package	With Paper Statements: \$239.40 With Online Statements: \$215.40
Citibank	The Citibank Account	\$240
Compass	CompassLINK Checking	\$240
Fifth Third	Enhanced Checking	\$240
Bank of America	Advantage with Tiered Interest Checking	\$300
BB&T	Elite Gold	\$300
Keybank	Key Privilege Checking Account	\$300
<u>JPMorgan Chase Bank*</u>	<u>Chase Premier Plus Checking</u>	<u>\$300</u>
<u>TD Bank</u>	<u>TD Premier</u>	<u>With Paper Statements: \$300</u> <u>With Online Statements: \$288</u>

Appendix A:

The information below was collected between June 27, 2012 and August 22, 2012, and verified between October 5, 2012 and October 9, 2012.

Bank:	Web Address:
Wells Fargo	https://www.wellsfargo.com/
Bank of America	https://www.bankofamerica.com/
JPMorgan Chase Bank	https://www.chase.com/online/Checking/chase-checking-account.htm
U.S. Bank	http://www.usbank.com/
PNC Bank	https://www.pnc.com
BB&T	http://www.bbt.com/bbt/personal/products/
Regions	https://www.regions.com/personal_banking.rf
SunTrust	https://www.suntrust.com
Fifth Third	https://www.53.com
RBS Citizens	http://www.citizensbank.com/
TD Bank	http://www.tdbank.com/
Citibank	https://online.citibank.com/US/Welcome.c
Keybank	https://www.key.com/about/welcome.jsp
Capital One	https://www.capitalone.com/
M&T Bank	https://www.mtb.com/personal/Pages/Index.aspx
Compass	http://www.bbvacompass.com/
Sovereign	http://www.sovereignbank.com/
Bank of the West	https://www.bankofthewest.com/
The Huntington National Bank	https://www.huntington.com/
HSBC Bank	http://www.us.hsbc.com/1/2/3/personal?home=personal
Associated Bank	https://www.associatedbank.com
Comerica Bank	http://www.comerica.com
Union Bank (from California)	https://www.unionbank.com
New York Community Bank	http://www.mynycb.com
First Citizens Bank	https://www.firstcitizens.com/

Appendix B:

The information utilized in this report was collected between June 27, 2012 and August 22, 2012, and verified between October 5, 2012 and October 9, 2012. Banks regularly update, modify, and replace the accounts they offer. Please consult an individual bank website or banking representative for the most current information.

Basic or Budget Accounts		
Bank Name:	Account:	Web Address:
Wells Fargo	Value Checking Account	https://www.wellsfargo.com/checking/value
PNC Bank	Virtual Wallet	https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Virtual+Wallet
Regions	Regions Basic Checking	http://www.regions.com/personal_banking/basic_checking.rf
SunTrust	Everyday Checking	https://www.suntrust.com/PersonalBanking/EverydayBanking/Checking/EverydayChecking
TD Bank	TD Simple	http://www.tdbank.com/personal/personalcheckingdetails_e.html?product=TD%20Simple
M&T Bank	Free Checking	https://services.mtb.com/personal/accounttypes/checking_free.cfm
Sovereign	Sovereign Classic Banking	http://www.sovereignbank.com/personal/banking/checking/detail-grid-checking.asp?KeepThis=true&TB_iframe=true&height=530&width=570
HSBC Bank	Basic Banking	http://www.us.hsbc.com/1/2/3/personal/checking
First Citizens Bank	Free Checking	https://www.firstcitizens.com/personal/checking/find-checking-account/free-checking/

Electronic Accounts		
Bank Name:	Account:	Web Address:
Bank of America	eBanking	http://ow.ly/80FXH
Fifth Third	eAccess Account	https://www.53.com/site/personal-banking/checking/eaccess.html
Keybank	Key Express Checking	https://www.key.com/personal/checking/checking-account.jsp

Non-Interest Checking Accounts		
Bank Name:	Account:	Web Address:
Wells Fargo	Way2Save Checking	https://www.wellsfargo.com/checking/way2save#2
Bank of America	MyAccess Checking	http://www.bankofamerica.com/deposits/checksave/index.cfm?template=check_myaccess
JPMorgan Chase Bank	Chase Total Checking	https://www.chase.com/online/Checking/chase-checking-account.htm
U.S. Bank*	Easy Checking	http://www.usbank.com/checking/easy.html
PNC Bank	Free Checking	https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Free+Checking
BB&T	Bright Banking	http://www.bbt.com/bbt/personal/products/brightbanking
Regions	Regions LifeGreen Checking	http://www.regions.com/personal_banking/lifegreen_checking.rf
SunTrust	Balanced Banking	https://www.suntrust.com/PersonalBanking/EverydayBanking/Checking/BalancedBanking
Fifth Third	Essential Checking	https://www.53.com/site/personal-banking/checking/essential.html
RBS Citizens	Green Checking	http://www.citizensbank.com/checking/green-checking.aspx

Bank:	Account:	Web Address:
TD Bank	TD Convenience	http://www.tdbank.com/personal/CheckingDetails_e.html
Citibank	BasicChecking	https://online.citibank.com/US/JRS/pands/detail.do?ID=ChkBasicChecking
Keybank	Key Coverage Checking	https://onlinea.key.com/uap/SvltKdd?mode=3&id=KCO CHT-CARE
Capital One	Rewards Checking	http://www.capitalone.com/checking-accounts/?linkid=WWW_1009_SAVG_A0B2084C0D22_A0E8F33F90B8G1F85H5AF4I7CC8_HOME_H1_09_T_CKACTHOM
M&T Bank	MyChoice Checking	https://services.mtb.com/personal/accounttypes/mychoice.cfm
Compass	Build-to-Order Checking	http://www.bbvacompass.com/personal/checking/build-to-order/
The Huntington National Bank	Huntington Asterisk-Free Checking	https://www.huntington.com/pas/free_checking.htm
Bank of the West	<u>Easy Checking</u>	https://www.bankofthewest.com/personal-banking/checking-accounts/easy-checking.html
HSBC Bank	Choice Checking	http://www.us.hsbc.com/1/2/3/personal/checking/choice?code=MIW0000311&WT.ac=HBUS_MIW0000311
Associated Bank	Advantage	https://www.associatedbank.com/personal/bank/personal-checking/personal-checking-comparison-chart
Comerica Bank	Access Checking	http://www.comerica.com/vgn-ext-templating/v/index.jsp?vgnextoid=c350e07797d03010VgnVCM1000004302a8c0RCRD&region=100430002&date=122711
Union Bank (from California)	<u>Union Bank Essentials Checking</u>	https://www.unionbank.com/personal-banking/checking-savings/checking/compare-accounts-rates.jsp
New York Community Bank	My Community Free Checking	http://www.mynycb.com/index.asp?divID=1&sectionID=personal&subsectionID=checking&pageID=freechk
First Citizens Bank	<u>Select Checking</u>	https://www.firstcitizens.com/personal/checking/find-checking-account/select-checking/

Interest Bearing Checking Accounts

Bank Name:	Account:	Web Address:
<u>Wells Fargo</u>	<u>Preferred Package</u>	https://www.wellsfargo.com/checking/compare-accounts
<u>Bank of America</u>	<u>Advantage with Tiered Interest Checking</u>	http://www.bankofamerica.com/deposits/checksave/index.cfm?template=check_advantage
<u>JPMorgan Chase Bank</u>	<u>Chase Premier Plus Checking</u>	https://www.chase.com/online/Checking/chase-checking-account.htm
<u>U.S. Bank</u>	<u>Platinum Checking Package</u>	http://www.usbank.com/package/platinum.html
<u>PNC Bank</u>	<u>Performance Checking</u>	https://www.pnc.com/webapp/unsec/Blank.do?siteArea=/pnccorp/pnc/home/personal/checking/PNC+Performance+Checking
<u>BB&T</u>	<u>Elite Gold</u>	http://www.bbt.com/personal/products/elitegold/Default.asp?state=dc
<u>Regions</u>	<u>Regions LifeGreen Preferred Checking</u>	http://www.regions.com/personal_banking/preferred_plus_rf
<u>SunTrust</u>	<u>Solid Choice</u>	https://www.suntrust.com/PersonalBanking/EverydayBanking/Checking/SolidChoiceBanking
<u>Fifth Third</u>	<u>Enhanced Checking</u>	https://www.53.com/site/personal-banking/checking/enhanced.html
<u>RBS Citizens</u>	<u>Personal Checking with Interest</u>	http://www.citizensbank.com/checking/personal-with-interest.aspx
<u>TD Bank</u>	<u>TD Premier</u>	https://esecure.tdbank.com/net/accountopening/apply4.aspx?state=DC&city=
<u>Citibank</u>	<u>The Citibank Account</u>	https://online.citibank.com/US/JRS/pands/detail.do?ID=ChkCBA
<u>Keybank</u>	<u>Key Privilege Checking Account</u>	https://www.key.com/personal/checking/checking-account-details.jsp
<u>Capital One</u>	<u>High Yield Free Checking</u>	http://www.capitalone.com/checking-accounts/?linkid=WWW_1009_SAVG_A0B2084C0D22_A0E8F33F90B8G1F85H5AF4I7CC8_HOME_H1_09_T_CKACTHOME
<u>M&T Bank</u>	<u>MyChoice Plus Checking</u>	https://raisethegreenflag.com/AccountSelection/20002
<u>Compass</u>	<u>CompassLINK Checking</u>	http://www.bbvacompass.com/personal/checking/basic.cfm
<u>Sovereign</u>	<u>Preferred Checking</u>	http://www.sovereignbank.com/personal/banking/checking/sovereign-preferred-checking.asp
<u>Bank of the West</u>	<u>Choice Interest Checking</u>	https://www.bankofthewest.com/personal-banking/checking-accounts/choice-interest.html
<u>The Huntington National Bank</u>	<u>Huntington Plus Checking</u>	https://www.huntington.com/pas/plus_checking.htm

Bank Name:	Account:	Web Address:
<u>HSBC Bank</u>	<u>Plus Checking</u>	http://www.us.hsbc.com/1/2/3/personal/checking/plus?code=MIW0000310&WT.ac=HBUS_MIW0000310
<u>Associated Bank</u>	<u>Advantage Plus Checking</u>	https://www.associatedbank.com/personal/bank/personal-checking/advantage-plus-checking
<u>Comerica Bank</u>	<u>Rich Rewards Checking</u>	http://www.comerica.com/personal-finance/banking/checking/Pages/interest-checking-account.aspx
<u>Union Bank (from California)</u>	<u>Tiered Interest Checking</u>	https://www.unionbank.com/personal-banking/checking-savings/checking/compare-accounts-rates.jsp
<u>New York Community Bank</u>	<u>My Community Interest Checking</u>	http://www.mynycb.com/index.asp?divID=1&sectionID=personal&subsectionID=checking&pageID=interest
<u>First Citizens Bank</u>	<u>Premier Checking</u>	https://www.firstcitizens.com/personal/checking/find-checking-account/premier/