

## Banking: Consumer Tips

When it comes to finding a safe place to put your money, there are a lot of options.

Savings accounts, checking accounts, certificates of deposit, and money market accounts are popular choices. Each has different rules and benefits that fit different needs. When choosing the one that is right for you, consider:

- **Minimum deposit requirements:** Some accounts can only be set up with a minimum dollar amount. If your account goes below the minimum, the bank may not pay you interest on the money you deposited and you may be charged extra fees.
- **Limits on withdrawals:** Can you take money out whenever you want? Are there any penalties for doing so?
- **Interest:** How much (if anything) is paid and when: Daily, monthly, quarterly, or yearly? To compare rates offered by financial institutions around the nation, visit <http://www.bankrate.com/>.
- **Deposit insurance:** Make sure that your bank is a member of the Federal Deposit Insurance Corporation (FDIC). This organization protects the money in your checking and savings accounts, certificates of deposit, and IRA accounts up to \$250,000.
- **Credit unions:** A credit union is a nonprofit, cooperative financial institution owned and run by its members. Like the FDIC does for banks, the National Credit Union Share Insurance Fund (NCUIF) insures a person's savings up to \$250,000.
- **Convenience:** How easy is it to put money in and take it out? Are there tellers or ATM machines close to where you work and live? Or would you receive most of your service via the telephone or Internet?

If you are considering a checking account or another type of account with check-writing privileges, add these items to your list of things to think about:

- **Number of checks:** Is there a maximum number of checks you can write per month without incurring a charge?
- **Check fees:** Is there a monthly fee for the account or a charge for each check you write?
- **Holds on checks:** Is there a waiting period for checks to clear before you can withdraw the money from your account?

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- Overdrafts: If you write a check for more money than you have in your account, what happens? You may be able to link your checking account to a savings account to protect yourself.
- Debit card fees: Are there fees for using your debit card?
- Account fees: Banks can charge fees on your checking or savings account to cover things like maintenance, withdrawals, or minimum balance rules. However, the bank must inform you of the fees up front as part of your account agreement and notify you when changes occur. Practices vary from bank to bank, but each must inform you of the fee change on your statement, in a separate letter, or in a pamphlet. The Federal Reserve has more information about account fees.
- Bounced checks: It's your responsibility to have sufficient funds in your account to cover the checks you write. If you try to cash a check, withdraw money, or use your debit card for an amount greater than the amount of money in your account, you can face a bounced check or overdraft fee. Your bank may pay for the item, but charge you a fee, or deny the purchase and still charge you a fee. In addition, the business to which you wrote the check may charge you an additional returned check fee. Bounced checks can also blemish your credit record, so you may want to talk to your bank about overdraft protection.

USA.gov. (Updated 2013, December 2). Choose the account that is best for you. Retrieved December 10, 2013, from <http://www.usa.gov>