

Banking and Fees

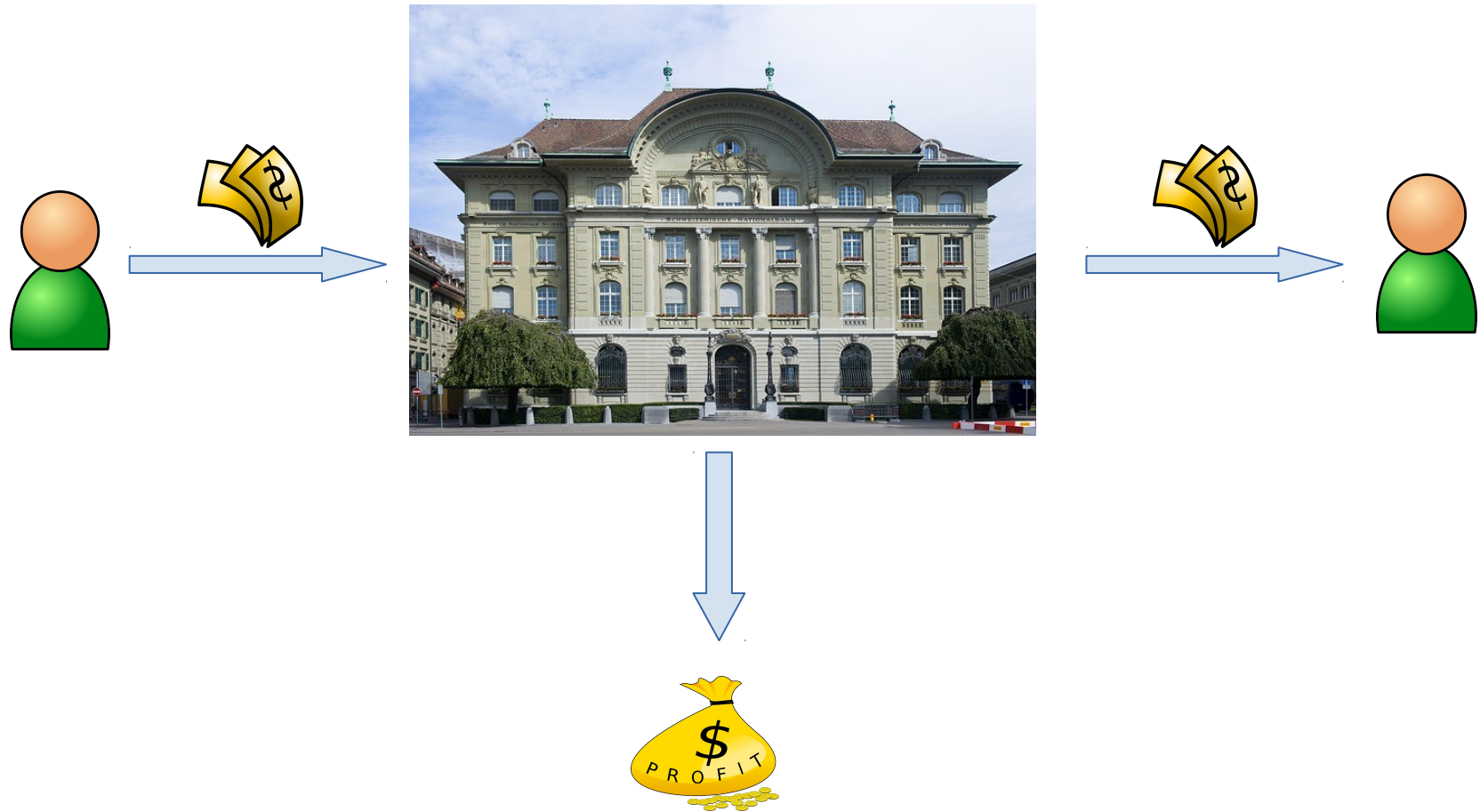
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Learning objectives

- List major types of fees charged by banks on checking accounts and how to avoid them
- Explain why a banking relationship is often adversarial in nature, and what that means for your daily monetary operations

Banks

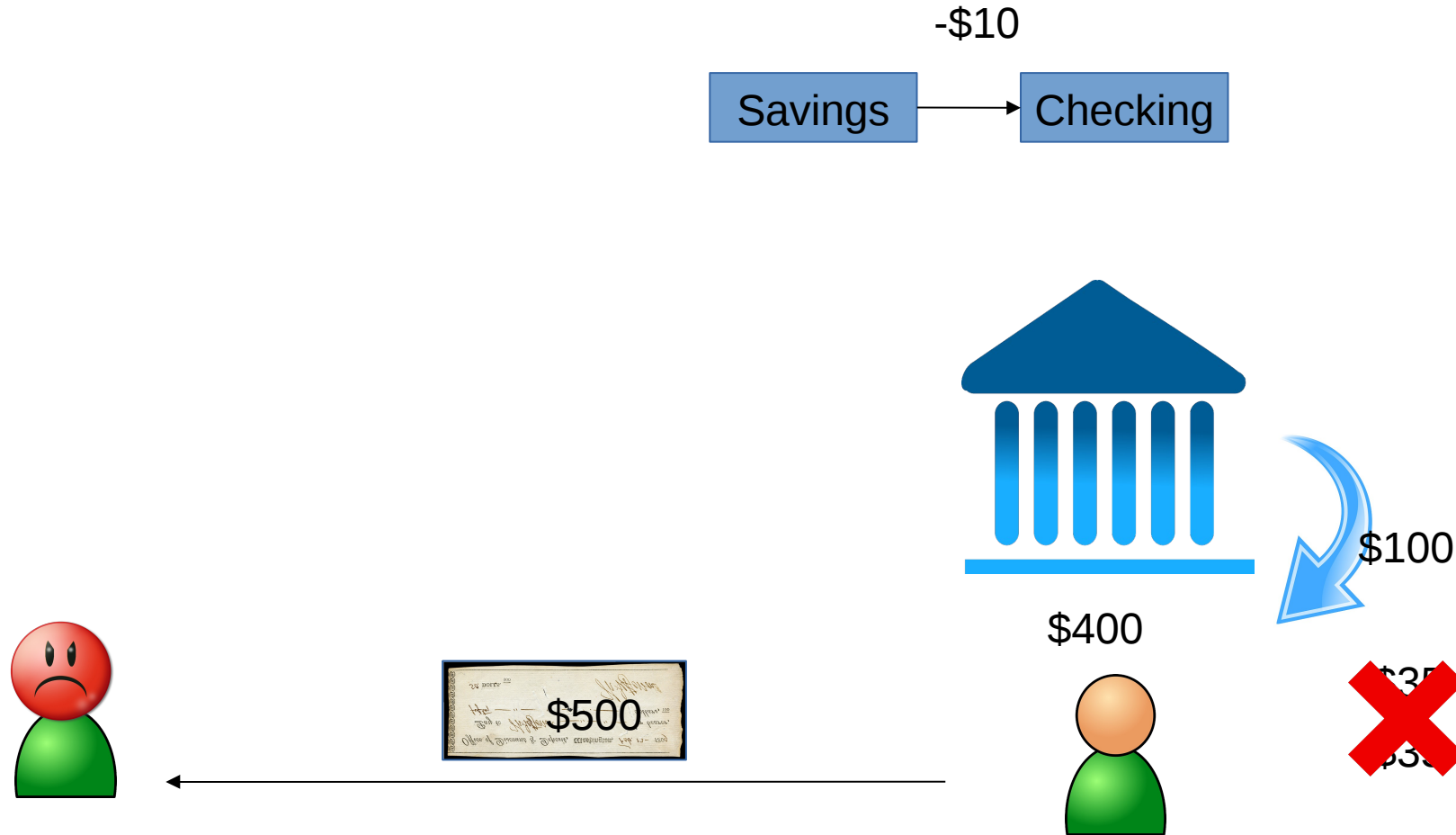
Financial intermediaries



Bank fees

• Account monthly maintenance	\$5-15
• ATM fees	\$2-3 ATM op, \$2-3 bank
• Bounce/NSF fees	\$30-40 NSF, \$10-15 bounce
• Wire transfer	\$20-50 send, \$20-50 receive
• ATM/Debit card replacement	\$5
• Bill pay	Mostly free
• Check order	\$15
• Stop payment	\$30-35
• Statement copy	\$3
• Overdraft	\$30-35

Overdraft protection



Quiz 1

Your bank charges \$35 as an overdraft fee.

How much in overdraft fees do you think the bank will soak you with, if your account balance is \$100, and at the end of day four payments post to your account, in the amount of \$10, \$5, \$50, and \$60?

Overdraft fees

balance	transaction	overdraft fee
\$100.00		
\$40.00	-\$60.00	
-\$10.00	-\$50.00	-\$35.00
-\$20.00	-\$10.00	-\$35.00
-\$25.00	-\$5.00	-\$35.00
	total	-\$105.00

Additional reading

<http://www.federalreserve.gov/pubs/bounce/>

"Protecting Yourself from Overdraft and Bounced-Check Fees"

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