

New Bedford Public Schools
Division of Adult & Continuing Education

New Bedford High School Evening Extension

2019 – 2020 School Year
Trimester III

Learning Packet
for
Basic Personal Finance

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Email Ms. Faria with questions/concerns regarding this packet at the email address listed above.

Due date: **April 7, 2020**



NBHS EVENING EXTENSION
TRIMESTER III
CHECKING ACCOUNT 1.2



Name _____

In this lesson, you will learn to:

- Identify common checking account fees and how to avoid them
- Explain how overdraft protection works and the impact of overdraft fees
- Read a Checking Account Summary
- Compare overdraft policies at major US banks

A. **Discussion Prompts** Discuss these questions with your classmates or with a partner.

Imagine that you are at an event that you bought tickets for. You want to buy a souvenir from one of the vendors but realize that you do not have any cash, which is all they accept. You go to the ATM and find that it is going to charge you \$3 to withdraw money from your account. Do you accept it? Why or why not?

B. **Bank Overdraft Fees:** One of the most common fees banks charge is the Overdraft fee. Watch this video to learn what this fee is and what you can do to avoid it. Then, answer the questions at right.

1. What is misleading about the term “overdraft protection”?
2. True or False: Once you are signed up for overdraft protection, you cannot opt out.
3. What else did Sharon do to avoid future overdraft fees?

Name _____

C. **3 Mobile Banking Alerts Everyone Should Activate:** In the previous video, you saw that Sharon had set up some alerts so that she could avoid expensive banking fees. Skim this article to find out what kinds of alerts you can set up so you can avoid fees as well. Then, answer the questions at right.

1. In your own words, briefly describe the benefit of each type of alert below:

a. Low Balance

b. Mobile Deposit

c. Unusual Activity

2. While all three of the alerts are highly recommended, which one do you think is most important? Why?

D. **FINE PRINT: Checking Account Agreement**

Each bank has its own terms and fees for different types of accounts. Use this Fine Print activity to get some practice reading and understanding these terms. Follow the directions on the worksheet to complete this activity.

Name _____

E. Overdraft Fee Analysis

What do overdraft fees at different banks look like? How much would the same transactions cost at different banks if you were to overdraw? Follow your teacher's directions and the directions on this worksheet to complete this project.

Exit Ticket

Follow your teacher's directions to complete the Exit Ticket.

1. What is an overdraft fee?
 - a. Fee for using out-of-network ATM
 - b. Fee for withdrawing more money than you have in your account
 - c. Fee for writing a check
 - d. Fee for going below your minimum balance requirement

2. Tori has \$75 in her checking account and swipes her debit card for a \$90 purchase at Target. She has overdraft protection. What most likely happens?
 - a. Her purchase is declined
 - b. Target calls the police to report her for fraud
 - c. Her purchase is approved, and she pays no fee
 - d. Her purchase is approved, but she pays an overdraft fee

3. Why is it a good idea to set up mobile alerts for your checking account?
 - a. If you enable them, your bank can no longer charge fees
 - b. The warnings might alert you in time to prevent your making costly mistakes
 - c. You won't need to review your bank statements anymore
 - d. The alerts will transfer extra money into your account to prevent you from overdrawing

Overdraft Fee Analysis

Part I: Review your resources

First, review the overdraft fee chart provided here [Overdraft Fees by Bank](#) by NerdWallet.

Also, some banks reorder your daily transactions by size, putting the largest transactions first and the smallest last, while others process transactions in the order they occur. Some checking accounts waive overdraft fees for ATM and/or debit transactions. You can find that information provided here [Overdraft Practices by Bank](#) by NerdWallet.

Use both resources together in the exercise as follows.

Part II: Conduct mathematical analysis

The Scenario:

- When the day begins, Joshua has \$116 in his checking account, and he has overdraft protection
- Before school he buys his cousin a round trip bus fare for \$4 using his debit card
- He then uses the card to get gas in his car for \$43
- Once the banks open, a check he gave the school for his senior yearbook clears, and \$75 comes out of his account
- Joshua's Netflix account subscription is automatically debited today, too, so another \$10 leaves the account
- After school he heads out with friends and uses his debit card to buy a \$3 coffee
- He sends a person-to-person payment of \$15 to his friend Bryant for his share of dinner
- Finally, he finishes out the day with some shopping to buy new soccer gear for \$35 using his debit card at the store

Using the information provided by NerdWallet in BOTH charts, **determine how much Joshua would pay in overdraft fees at each bank:**

- A. Citibank
- B. HSBC Bank
- C. Regions Bank
- D. SunTrust
- E. TD Bank
- F. Wells Fargo

Guidelines:

- You can use Google Spreadsheet, Microsoft Excel, another program, or do your work by hand neatly
- Regardless of which tool you use, present your work in a clear and easy to follow fashion
- Be sure to use BOTH NerdWallet charts for each bank.

Part III: What are the results?

1. How much did Joshua spend on actual purchases throughout the course of the day?

2. What was his ending balance at the day's end?

3. How much did he pay in overdraft fees with each bank?

a. Citibank

b. HSBC Bank

c. Regions Bank

d. SunTrust

e. TD Bank

f. Wells Fargo

4. What advice would you give to Joshua?

Part IV: Analyze the bigger picture

5. How does whether a bank reorders transactions impact the cost of overdraft fees?

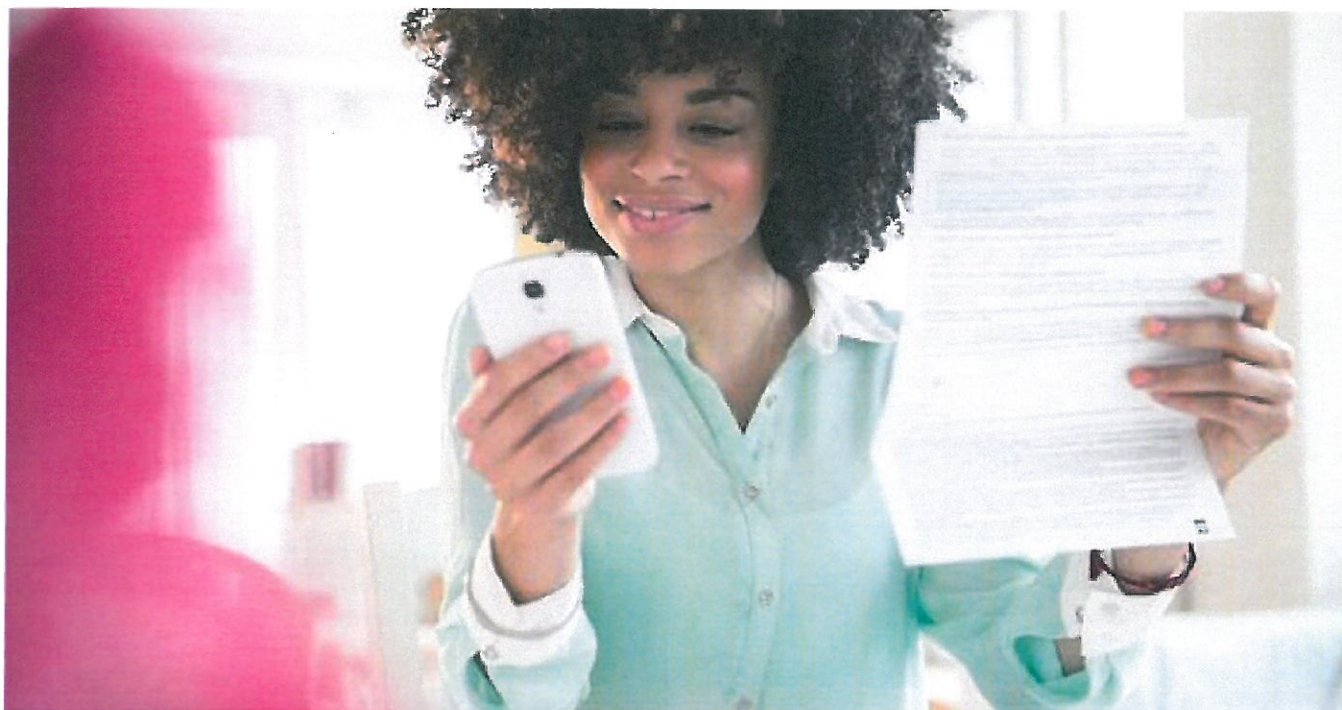
6. If you were selecting a checking account and reviewing account agreements to see which is the best fit for you, which factor matters more -- the size of the overdraft fee or the maximum number of overdraft fees charged per day? Explain your thinking.

7. Why do you think the banks have such widely varying policies on overdraft fees?

8. After seeing the wide range of results in Question 3 above, why would anyone select a bank that has unfavorable overdraft policies?

3 Mobile Banking Alerts Everyone Should Activate Today | Bankrate.com

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JGI/Jamie Grill/Getty Images

Low balance. Mobile deposit. Unusual activity.

If your bank isn't already notifying you about these issues with your account, you probably haven't set up the alerts in your mobile banking app. And that's something you might want to do right away.

Why?

Because they will help you stay informed about your finances whenever, wherever and however you want, says Michelle Moore, head of digital banking at Bank of America.

These alerts are highly customizable and can be part of your best practices for smart financial management. Log in to your bank's app or give your financial institution a call for help setting up alerts.

RATE SEARCH: Find an internet-based interesting checking account today.

Protecting your money

So, what exactly do these alerts do?

- The **low balance** alert sends you a text message when your bank account balance drops to a predetermined amount, which could be \$20, \$500 or some other number you select.

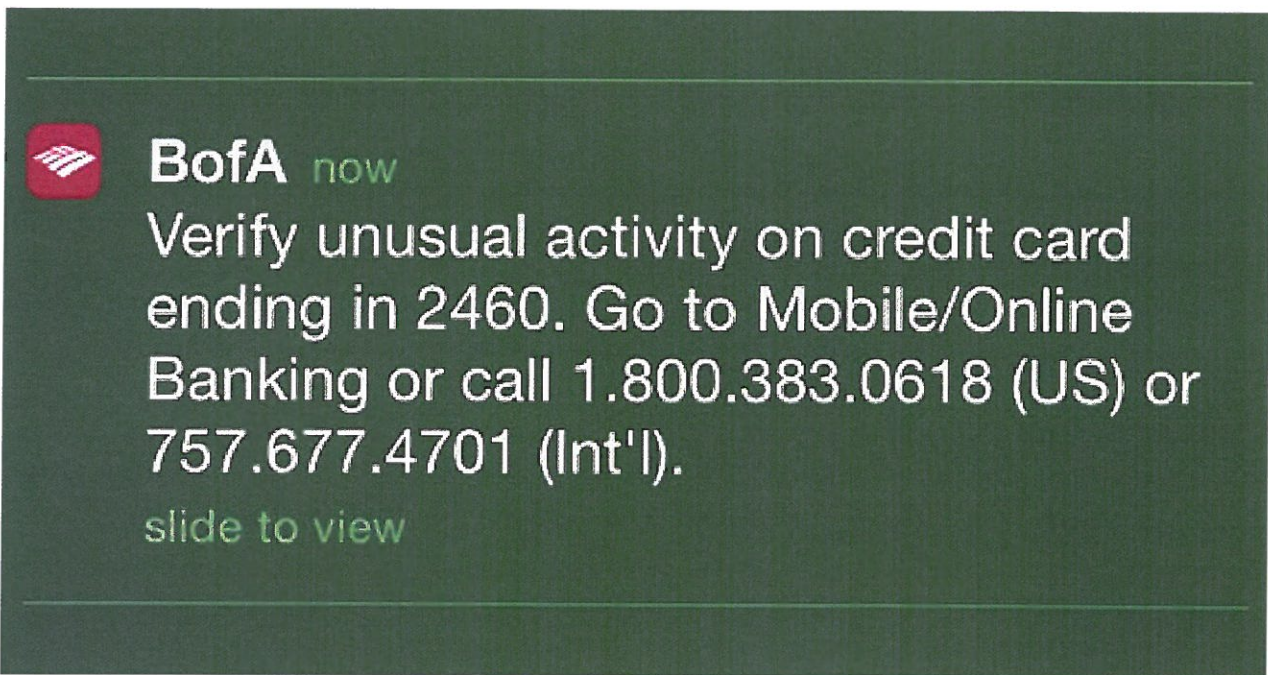
“It’s information that helps you avoid overdrafts or spending money. Maybe you need that alert to say, ‘I can’t make that trip to the mall tonight,’” Moore explains.

- The **mobile deposit** alert sends you a text message when you use your smartphone to submit a check to deposit to your bank.

“Think of when you walk into a banking center or financial center and the teller hands you a receipt,” Moore says. “You’ve given us a deposit and we’ve given you a receipt. This alert is just like that.”

You can also set up an alert to track when checks clear through the banking system and new funds are available in your account. Most checks clear the night they’re deposited, but some can take a bit longer. With both alerts, you’ll always know the status of your deposits.

- The **unusual activity** alert sends you a text message if your bank detects activity on your account that could be fraud. Examples include transactions beyond your usual haunts, spending that doesn't fit your pattern, transactions for unusually high dollar amounts and multiple fast-paced transactions.



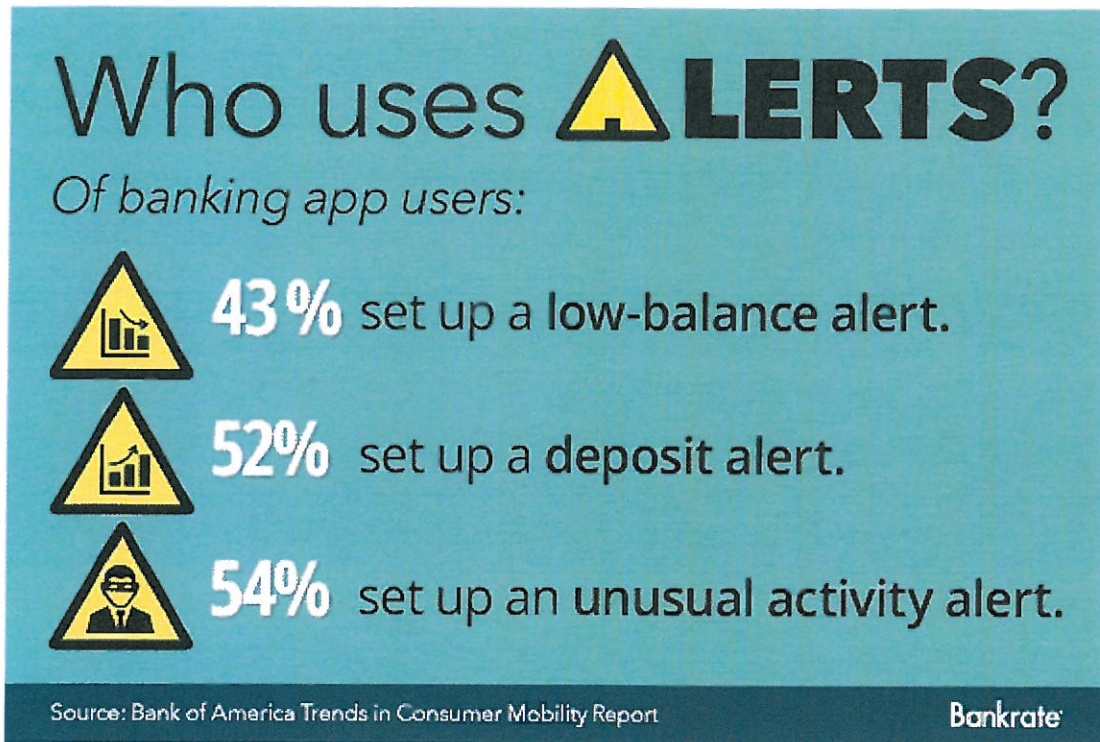
“If you’re traveling somewhere that you normally don’t shop and we think it’s fraudulent, we would send you a text saying, ‘Is this your transaction?’” Moore explains.

Although someone who has fraudulently used your bank account can’t necessarily open new lines of credit, it doesn’t hurt to check your credit report for unusual activity if you’re a bank fraud victim. Get your report for free at myBankrate.

Alerts make you smart

Alerts can be tricky to set up. A 2015 study from Javelin Strategy & Research found consumers often had to search through multiple menus online and

complete as many as 10 steps to create a bank alert.



Still, alerts are hot stuff. A June 2016 Bank of America survey found that 87% of people who use mobile banking had set up

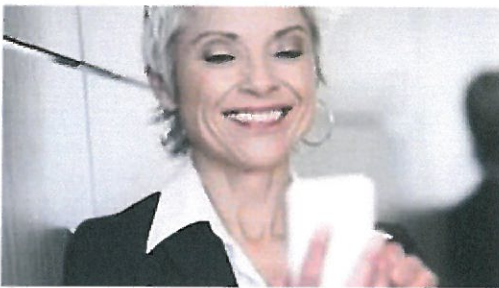
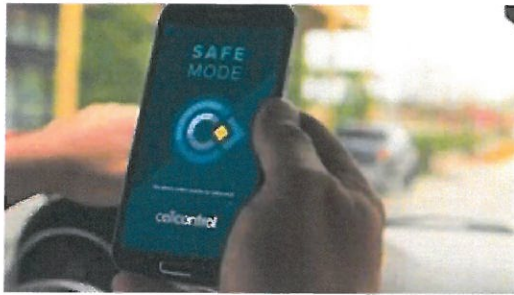
alerts. An earlier Federal Reserve study found 57% of mobile banking users had received a text message, push notification or email alert from their bank.

Not using alerts means you're missing out on an opportunity to better understand your banking activities. You could be hit with returned items or overdraft fees, or you could just be perpetually confused about your finances.

As Moore says, "Alerts are really about knowledge and the power to have the best financial management you can."

You may also like

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8,629.82 (+29.34)	52,394.62 (+7.30)	58,042.14 (+10.70)	65,788.00 (+5.00)
777.65 (+26.30)	1,002.66 (+28.93)	1,305.27 (+38.10)	1,762.01 (+20.00)
15,127.81 (+16.63)	16,696.99 (+10.37)	16,301.51 (-1.80)	16,017.00 (+2.00)
9,240.74 (+20.63)	11,714.64 (+26.77)	9,700.00 (-17.00)	140.00 (+0.00)

<https://www.bankrate.com/banking/checking/3-mobile-banking-alerts-everyone-should-activate/>

Overdraft Fees: Does Your Bank Stack the Deck?

By Spencer Tierney | Dec. 20th, 2016

 Send to Kindle

Overdrafts cause some of the steepest fees that bank consumers pay — and some banks have practices that increase your likelihood of being charged. Here's what you should know.

Jump to table of overdraft practices by bank

Ordering transactions from highest to lowest

Banks don't have to process your withdrawals, purchases and payments in the order they're received each business day. A little more than 40% of the U.S. banks surveyed in a 2016 study by the Pew Charitable Trusts process at least some types of larger transactions before smaller ones that clear on the same day. And if your account balance can't cover all of your transactions, the order in which your bank processes them might affect the number of overdraft fees you pay.

If your bank processes your biggest debit first, and it drains your account, you might find yourself charged an overdraft fee for each additional check or debit card purchase that clears that day. The median overdraft fee is \$35, according to Pew, meaning those charges stack up quickly.

» **MORE:** [Overdraft fees by bank](#)

In its analysis of 44 of the nation's 50 biggest banks, Pew did find that 91% limit the practice of ordering transactions from high to low. Some banks reorder only

one type of transaction, such as checks, but don't reorder online payments or other types.

» **MORE:** Many banks boost overdrafts by counting big debits first, report says

Overdrafts from ATM and debit card transactions

The same report shows that nearly 80% of the banks surveyed allow accounts to go negative from ATM withdrawals and debit card point-of-sale transactions. Debit card transactions create more overdrafts than any other type of checking account transaction, according to a 2014 report from the Consumer Financial Protection Bureau.

Good overdraft practices by bank

Here's how the 44 banks Pew analyzed handle three of the overdraft practices included in the report. The more check marks per bank, the more consumer-friendly its overdraft practices. Scroll down to see the full list.

Spencer Tierney is a staff writer at NerdWallet, a personal finance website. Email: spencer@nerdwallet.com. Twitter: @SpencerNerd.

FINE PRINT: Checking Account Agreement

❖ **Teacher Tip:** If you prefer to administer this activity using a Google Form, please see the answer key (in your email, titled “NGPF Answer Keys”) for the Google Form link.

In this activity, you will explore a checking account agreement in more detail to understand its various components. Then, you will answer questions using the sample checking account agreement below.

Part I: Read The Fine Print

Analyze this sample checking account agreement and answer the questions that follow.

TCF Bank Checking Account Summary—All States (except Arizona)

Account Opening and Usage	Account Types	Basic Accounts: TCF Free Checking, TCF Free Student Checking Special Accounts: TCF Premier 50+ Checking, TCF Premier 62+ Checking Premium Accounts: TCF Premier Checking, TCF Premier Checking Plus
	Minimum Deposit Needed to Open Account	\$25 for Basic Accounts \$25 for Special Accounts \$500 for Premium Accounts
	Monthly Maintenance Fee	\$0 for Basic Accounts \$9.95 for Special Accounts \$15 for Premium Accounts
	Requirements to Waive Monthly Maintenance Fee	N/A for Basic Accounts \$10,000 for Special and Premier Accounts minimum combined account balances OR 15 qualifying withdrawals (OR also for Premier 62+ Checking \$200+ in direct deposits) \$15,000 for Premium Accounts minimum combined account balances OR \$2,500+ minimum account balance
	Interest Bearing	No for Basic Accounts Yes for Special Accounts Yes for Premium Accounts
	ATM Fees <i>(for using an ATM in TCF's ATM network)</i>	\$0 for withdrawals, balance inquiries, and transfers. Fees may apply for other services.
	ATM Fees <i>(for using an ATM outside of TCF's ATM network)</i>	\$3 per withdrawal in the U.S., plus any fee the ATM operator charges \$5 per withdrawal outside of the U.S., plus 3% of transaction, plus any fee the ATM operator charges \$2 per balance inquiry, plus any fee the ATM operator charges
	Non-Sufficient Funds (NSF) Fee	\$37 for each item we do not pay because it exceeds your available account balance. This is also called Returned Item NSF Fee.
	Deposited Item Returned Fee	\$20 for each item that you cash or deposit that is rejected because the payer did not have enough money in his or her account or for other reasons.
	Stop Payment Fee	\$35 per item to stop payment for up to 6 months
	Account Closing Fee	\$0
	Statement Fees	\$0 for online statements \$2 for paper statements (waived for Premium Accounts, Special Accounts, Free Student Checking and account holders younger than 18)
	Other Service Fees	Please see TCF's <i>Deposit Account Services and Prices Schedule</i> for a list of additional service fees.

Overdraft Options	Option A: No Overdraft Service	If you decline any kind of overdraft service, TCF will not pay your overdrafts and will decline your ATM or debit card transactions that exceed your available account balance at the time you use your card. NSF fees may apply. See the Explanatory Note below.	
	Option B: Overdraft Transfer from Linked Savings Account	\$10	per automated overdraft protection transfer from a linked TCF savings account
	Option C: Overdraft Transfer from Line of Credit	18%	Annual Percentage Rate on outstanding account balances (subject to credit approval)
	Option D: Overdraft Fee	\$10	for each advance from an overdraft protection line of credit.
	Maximum Number of Overdraft Fees per Day	\$37	for each item we pay that exceeds your available account balance. We also offer the option for an overdraft fee charged daily rather than per item. See Explanatory Note below.
	Minimum Amount Required to Trigger an Overdraft Fee	5	You will only be charged this number of overdraft fees per day, even if we elect to cover additional overdrafts. Returned Item NSF fees also count towards this limit.
	Extended Overdraft Fee	\$5	If you are overdrawn by this amount or less, you will not incur an overdraft fee.
<p>Explanatory Note: We will decline one-time debit card and ATM transactions at no cost to you if they exceed your available account balance at the time you use your card unless you ask for (opt-in to) overdraft service for these transactions. If you opt-in, we may, in our discretion, approve these transactions. We may pay overdrafts due to other transactions unless you opt-out of overdraft service for these transactions. If you opt-out, we will decline any transaction that exceeds your available balance.</p>			

Processing Policies	Posting Order <i>(The order in which withdrawals and deposits are processed)</i>	<p>TCF's current practice for processing the most common transactions on accounts is generally as follows:</p> <ul style="list-style-type: none"> • First, we process deposits made before the cutoff time before we process withdrawals. • Second, we process certain priority withdrawals before others (e.g., those not described in one of the other categories below). We generally process these transactions in groups in chronological order within each group based on the date and time of the transaction. • Third, we generally process ATM and Card withdrawals in chronological order based on a date and time associated with the transaction. • Fourth, we generally process checks in lowest-to-highest order based on check number. • Fifth, we generally process automated (ACH) withdrawals scheduled for payment on a Business Day in chronological order based on when we receive the electronic file for the withdrawals. • Sixth, we process certain account fees, such as monthly maintenance fees, ATM withdrawal fees, paper statement fees and overdraft fees on daily overdraft fee accounts.
	Deposit Hold Policy <i>(When funds deposited to your account are available)</i>	<ul style="list-style-type: none"> • Wire transfers, direct deposits, cash deposits with a teller, cash deposits at TCF ATMs that accept cash deposits, and the first \$250 of aggregate check deposits with a teller: Same Business Day. • Check deposit at ATM: 1 Business Day. • Cashier check, government check, check drawn on TCF Bank, or postal money order deposit with teller: 1 Business Day (except for the portion available Same Business Day). • Other check deposits with a teller: 2 Business Days (except for the portion available Same Business Day). • Longer delays may apply for new accounts. <p><i>A "Business Day" is a non-holiday weekday. The end of a Business Day varies by TCF location, but it is no earlier than 2:00 PM.</i></p>

Dispute Resolution	<p>Your contract with TCF includes an arbitration agreement. If there is a dispute between you and TCF, and the dispute is covered by the arbitration agreement, then either you or TCF may require the dispute to be resolved by arbitration. This means that: (1) the dispute would be resolved by an arbitrator, not a court; (2) you and TCF would not have the right to a jury or court trial to resolve the dispute; and (3) you and TCF would not have the right to pursue the claim as a class action. You have the right to reject the arbitration agreement within 30 days of account opening.</p>
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This disclosure page is a summary only of TCF's most widely used consumer checking products (excludes TCF Choice Checking), and is not part of your account contract with TCF. For an explanation of your account contract, including other service charges, please refer to TCF's *Deposit Account Services and Prices Schedule* and TCF's *Terms and Conditions for Checking and Savings Accounts*.

1. A Student Checking account would be classified as what type of account according to the Agreement?
 - a. Basic
 - b. Special
 - c. Premium
 - d. Premier

2. Which of the following are TRUE about a TCF Free Student Checking Account? (choose ALL correct answers)

	Statement
	The minimum deposit to open the account is \$25.
	The monthly maintenance fee is \$15 per month.
	It does not earn interest.
	There is no charge for using an ATM in the TCF ATM Network.

3. You choose Option A for Overdraft Options. What would happen if you had \$30 in your checking account and tried to take out \$45 at the grocery store using your debit card? (choose ALL correct answers)

	Statement
	You would be charged an overdraft fee.
	You would NOT be charged an overdraft fee.
	Your transaction would be denied and you would have to return the groceries if you didn't have the cash to pay for it.
	You would owe the bank \$15 since that was the amount of the overdraft.

4. You choose Option B for Overdraft Options. Assume that you have \$30 in your checking account and \$50 in your savings account. What would happen if you tried to take out \$45 at the grocery store using your debit card? (choose ALL correct answers)

	Statement
	You would be charged a \$10 fee.
	Your transaction would be approved since the bank would automatically transfer money from your savings to your checking account.
	Your transaction would be denied and you would have to return the groceries if you didn't have the cash to pay for it.

	You would have to repay the bank the \$15 that you borrowed from them to cover this grocery bill.
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5. You choose Option D for Overdraft Options. What would happen if you had \$10 in your checking account and completed the following debit card transactions on the same day? 1) \$45 for groceries 2) \$20 for movie tickets 3) \$15 for popcorn and soda

	Statement
	You would be charged one overdraft fee of \$37.
	You would be able to purchase the groceries, but would not be able to buy the movie tickets and popcorn and soda.
	You would be able to purchase the groceries, movie tickets and popcorn and soda.
	You would owe the bank \$70 since that was the amount that you have overdrawn your account.
	You would be charged three overdraft fees totaling \$111.

6. You deposit your birthday check of \$50 at the TCF ATM. When will you have access to the money?
- a. Immediately
 - b. Same day
 - c. One business day
 - d. One week later

7. Assuming that you have a TCF Free Student Checking Account, what fees would you be responsible for on this account?

	Statement
	Out-of-network ATM Fees
	Monthly maintenance fee
	Paper statements
	Non-sufficient funds fee

8. Which of these TCF checking account fees is the most expensive?
- a. Stop Payment Fee
 - b. Automated Overdraft Protection Transfer Fee
 - c. Paper Statement Fee
 - d. Overdraft Fee (Option D)

9. You have the following transactions post to your account on the same day: your paycheck deposit, a check you wrote for your rent, and a debit transaction for groceries. Which would be processed first?
- a. Your paycheck deposit
 - b. The check you wrote for rent
 - c. The debit transaction for groceries
 - d. It depends which day of the week it is
10. What is the fee for withdrawing money from an out-of-network ATM in the U.S.?
- a. \$5 + any fee the ATM operator charges
 - b. \$2 + any fee the ATM operator charges
 - c. \$3 + any fee the ATM operator charges
 - d. There is not a fee for withdrawing money out-of-network

Part II: What Did You Learn?

Use what you learned from analyzing the checking account agreement to answer this question.

11. What advice would you offer to someone who is considering opening a checking account? What fees and criteria should they pay attention to? Why?

Advertiser Disclosure

Overdraft Fees: Compare What Banks Charge



SPENCER TIERNEY

Sept. 6, 2019



At NerdWallet, we strive to help you make financial decisions with confidence. To do this, many or all of the products featured here are from our partners. However, this doesn't influence our evaluations. Our opinions are our own.

An overdraft fee is often one of the most expensive fees from a bank, but not all charge the same amount. And some banks don't even have an overdraft fee.

» **Looking to lower fees?** Jump ahead to [banks with low or no overdraft fees](#).

Overdraft fees by bank

Financial institution	Overdraft coverage fee (per item)	Max fees per day	Total possible cost in a day (excluding extended overdraft fees)
Alliant Credit Union	\$28	Unlimited	No limit
Ally Bank	\$25	1	\$25
Associated Bank	\$35	4	\$140
Bank of America	\$35	4	\$140
BB&T	\$36	6	\$216
BBVA	\$38 (\$32 in Calif.)	6	\$228 (\$
BMO Harris Bank	\$36	4	\$144
Boeing Employees Credit Union	\$25	Generally 5, may be higher with transactions involving BECU loan payments	General \$125, may be higher with transactions involving BECU loan payments

Financial institution	Overdraft coverage fee (per item)	Max fees per day	Total possible cost in a day (excluding extended overdraft fees)
Capital One 360	\$0 transfer fee from linked account	N/A	N/A
Charles Schwab	\$0 transfer fee from an overdraft source	N/A	N/A
Chase	\$34	3	\$102
Chime	No overdraft program or fees	N/A	N/A
Citibank	\$34	4	\$136
Citizens Bank	\$35	7	\$245
Comerica	Up to \$38	5	Up to \$190
Connexus Credit Union	\$29.95	No maximum number; up to \$300 negative balance	No limit

Financial institution	Overdraft coverage fee (per item)	Max fees per day	Total possible cost in a day (excluding extended overdraft fees)
Consumers Credit Union	\$30	No maximum number	No limit
Discover Bank	\$0 transfer fee from an overdraft source	N/A	N/A
Fifth Third Bank	\$37	5	\$185
HSBC Bank	\$35	3	\$105
KeyBank	\$39	5	\$195
M&T Bank	\$38.50	5	\$192.50
Navy Federal Credit Union	\$20	3	\$60
PNC Bank	\$36	4	\$144
Regions Bank	\$36	6	\$216
Santander Bank	\$35	6	\$210

Financial institution	Overdraft coverage fee (per item)	Max fees per day	Total possible cost in a day (excluding extended overdraft fees)
Simple	No overdraft program or fees	N/A	N/A
SunTrust	\$36	6	\$216
TD Bank	\$35	5	\$175
TIAA Bank	\$0 transfer fee from a linked account	N/A	N/A
Union Bank	\$33	5	\$165
USAA	\$29	3	\$87
U.S. Bank	\$36	4	\$144
Wells Fargo	\$35	3	\$105

What is an overdraft fee?

When a transaction drops your checking account balance below zero, a bank or credit union will choose to reject or cover the

transaction. You may be charged fees in either case. The charge for a rejected transaction or check is known as a nonsufficient funds fee, while the charge for an approved transaction is called an overdraft fee. Some banks charge multiple nonsufficient funds or overdraft fees per day if you make many transactions with a negative balance, meaning you could owe hundreds of dollars in penalties.

You can read our [explainer on how to avoid overdraft fees](#). As a rule of thumb, it's best not to opt in to overdraft coverage for ATM or one-time debit card transactions if you think you will have issues with overdrafts. When you opt out, the negative debit or ATM transaction will be declined and you won't be charged a fee.

Some banks don't charge overdraft fees if an account is overdrawn by \$5 or less at the end of the business day. So if you buy a \$6 sandwich with \$2 in your account, you would be exempt from a fee.

If you're looking for banks with no or low overdraft fees, here are our recommendations.

Banks with low or no overdraft fees

Simple



4.0 NerdWallet rating

- No overdraft program or fees.



[LEARN MORE](#)

at Simple,

- No monthly account fees.

Deposits are FDIC Insured

[+ What else we like about it](#)

Chime



4.5 NerdWallet rating [?](#)

- No overdraft program or fees.
- Highly rated mobile apps.

[LEARN MORE](#)

**at Chime,
Deposits are FDIC Insured**

[+ What else we like about it](#)

Capital One 360



4.5 NerdWallet rating [?](#)

- Free transfers from linked savings accounts.



[READ REVIEW](#)

[+ What else we like about it](#)

Discover Bank



4.5 NerdWallet rating [?](#)

- No overdraft fee
- Offers free overdraft protection via linked account

Discover Bank, Member FDIC

[READ REVIEW](#)

[+ What else we like about it](#)

TIAA Bank



4.0 NerdWallet rating [?](#)

- Free transfers from linked accounts.



[READ REVIEW](#)

[+ What else we like about it](#)

Charles Schwab Bank



4.0 NerdWallet rating [?](#)

- Free automatic transfers from savings and brokerage accounts.



[READ REVIEW](#)

[+ What else we like about it](#)

Overdraft protection

Outside of the banks without any overdraft coverage fees, you can generally find a cheaper option with overdraft protection transfers.

These are opt-in programs that link a second account to your checking account. An overdraft would trigger a transfer from the second account to cover the transaction. The linked account can be a savings account, credit card, line of credit or even another checking account, depending on the bank's policy. The

cost of this transfer is around \$10 or \$12, although it can be cheaper. Sometimes the service is even free.

» **Looking for a savings account** with low fees and good rates? Read [NerdWallet's list of best savings accounts](#).

NERDWALLET MAKES MANAGING YOUR FINANCES EASY.

Keep track of your spending, credit score, and even find fresh ways to save.

Sign up — it's free

How to get overdraft fees waived

If you're charged an overdraft fee, here are some ways you may be able to get it waived.

1. If you don't have a history of negative transactions, contact your bank's customer service department and ask if they will waive it.
2. Ask about forgiveness policies. Some institutions have once-a-year fee forgiveness programs for customers in good standing.
3. Ask about "rewind" programs. If you have an electronic deposit scheduled for your

account that would have covered the overdrawn transaction, some banks will consider waiving the fee if the deposit arrives soon enough, usually by the next morning.

Overdraft fees, especially from overdraft coverage, are some of the steepest fees that banks charge. Knowing these fees might help you consider to opt out of the programs or find cheaper overdraft alternatives that your bank offers.

» **Want to learn more?** Read NerdWallet's [explainer on overdraft fees](#) for more on overdraft programs.

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