



Avoiding Fees

You'd never toss \$35 down on the street and walk away, would you?

But every time you make a late credit card payment, you'll be charged that much or even more. In fact, many people pay hundreds of dollars per year in unnecessary banking and credit card fees.



Cutting Banking Fees

A bank should be a place to save your money, not to lose it. Here are some tips to avoid bank fees:

- Before you set up an account, estimate your banking needs.

Figure out how much money you will keep in the bank and how often you will need to write checks, and your anticipated debit card/ATM use. Then choose a type of account that suits your need to avoid overdraft and "excessive transaction" fees – often a dollar per transaction.
- Consolidate multiple bank accounts. For example, close your bank account from high school if it's with a different bank than your current account.
- Choose an account with unlimited free ATM/debit card use.
- Don't use another bank's ATM. You could get service charges from *both* banks.
- Those bank tellers may be all smiles when you show up, but it might be because some banks charge up to \$8 for each transaction after you exceed a certain number of visits. (You could say they're laughing all the way to the...never mind.)
- Maintain the minimum balance required for your account if one is required, or you will pay additional fees. Better yet, get an account that doesn't have a minimum balance requirement.
- Avoid bouncing checks, which will cost you \$50 or more. Pay attention to the amount of money in your account, and purchase overdraft protection if necessary.
- Some banks reduce or eliminate monthly fees with direct deposit. If your bank participates, ask your employer if they can deposit your check directly.

Cutting Credit Card Fees

With credit cards, interest on your purchases is only part of the equation - late payment fees, annual fees, and cash advance fees cost you money. Here are the best ways to avoid unnecessary credit card expenses:

- Above all, make your payments on time. Not only do late payments mean a fee, but the late payments will damage your credit rating.
- Don't accept a credit card offer that includes an annual fee. If your "no annual fee" card starts charging an annual fee (it happens), call the company and tell them to remove the charge or you will cancel the card.
- Don't fall for the "no payment due" trick – if you have a balance, pay as much as you can each month to save on interest charges.
- Have only one card. The more you have, the easier it is to miss a payment and get charged a late fee.
- If your card's interest rate is too high, call the company and say you are considering cancelling your account because of the interest rate. Companies will often lower the rate.
- If you are charged a late fee, call the company and ask that it be removed. If most of your payments have been on time, it might work.
- Find out if your card charges inactivity fees if you don't use it for several months. Cancel the card if it does.
- Use cash advances only in emergencies. You are charged fees, and receive no grace period on the interest.
- Think twice before accepting credit protection plans, which costs about \$50 per year. These services are unnecessary for most students.

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