



Avoiding Fees

You'd never toss \$30 down on the street and walk away, but every time you make a late credit card payment, overdraw your bank account with a debit card, or bounce a check, you'll be charged that much or even more.

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:

- If moving to a new town and changing banks, be sure your new bank has ATMs conveniently located near your work or school. Otherwise, you could be charged a fee simply for withdrawing cash.
- If setting up a new account, estimate how often you'll write checks and how often you'll use your debit card. Choose an account that meets your needs but avoids excessive transaction fees.
- Some banks offer free basic checking accounts while others offer a free account if you maintain a minimum balance. If you can avoid a monthly account fee, you could save an average of over \$100 per year.
- Avoid bouncing checks or exceeding your account balanced when using a debit card. Fees could be between \$30 and \$50.
- Explore whether your bank reduces monthly fees with direct deposit or automatic transfers.
- If you will frequently be near a zero checking balance, explore options to help you avoid overdraft fees including automatically transferring money from a savings account.
- Beware of courtesy overdraft protection in which you are charged a per transaction fee if you overdraw your account when using a debit card. You can opt out of this service.
- Automate monthly payments with an automatic bank draft that covers the minimum balance. This will avoid late payment fees and possible interest rate increases because of late payments. Just make sure you pay more than the minimum each month – otherwise it could take decades to pay off your balance.
- Don't fall for "no payment due." If you have a balance, pay as much as you can each month to save on interest charges.
- 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 may lower your rate.
- If you're 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.
- 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 or ID theft protection plans. These services could cost more than \$180 per year and are unnecessary for most people. The best way to protect your credit is to check all of your credit reports each year at the free www.annualcreditreport.com website.

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, too. Here are the best ways to avoid unnecessary credit card expenses:

- Consider using only one card. It's easier to miss a payment and to acquire more debt with multiple cards.



Standard and penalty fees can add up to hundreds of dollars per year. Use your accounts as intended and pay bills on time. Then comparison shop to find the lowest fees for the financial services you need.

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