

There are many benefits to having a bank or credit union account:

- Save money when you cash your check (i.e. no check-cashing fees);
- Take advantage of available interest-bearing accounts to save money;
- A relationship with a bank or credit union may help you get a loan if you need it in the future;
- Purchase items by phone or over the internet;
- Get cash from ATMs around the world;
- Protect your money against theft and natural disasters. Credit unions and banks may fully insure your deposits so that you don't lose your money.

A listing of banks participating in the *Basic Banking for Massachusetts* program can be obtained by visiting the Massachusetts Community & Banking Council at www.mcabc.info/basic_participating. A list of credit unions that offer affordable checking and savings accounts may be found at www.mass.gov/bankonit.

The Division of Banks' complete report may be viewed at www.mass.gov/dob.

Partners

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Massachusetts Bankers Association

Massachusetts Community & Banking Council

Massachusetts Credit Union League, Inc.

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This publication has been produced by the Office of Consumer Affairs and Business Regulation and the Division of Banks in conjunction with the Massachusetts Bankers Association and the Massachusetts Credit Union League, Inc.



This publication provides general information. It is not designed to address all questions in detail and consumers are encouraged to seek further guidance by contacting the agency directly at (617) 973-8787, toll-free at (888) 283-3757, or visit us online at www.mass.gov/consumer.



Save Money!

Bank On It



Deval L. Patrick, Governor
Barbara Anthony, Undersecretary



Do you have a bank or credit union account where you can cash checks?

Using check cashers or pay-day lenders can be costly as they usually charge high fees for each transaction. You can potentially save hundreds of dollars a year by using an affordable checking account rather than check cashing services.

The Massachusetts Division of Banks compared the costs to cash checks at licensed check cashers with the costs charged by banks that offer a basic checking account as identified by the Massachusetts Community & Banking Council.

Average Percentage Charged by Massachusetts Licensed Check Cashers

	Charged for Checks < \$100	Charged for Checks \$100-\$500	Charged for Checks \$500-\$1,000	Charged for Checks > \$1,000
Payroll	3.05%	2.39%	2.40%	2.56%
Government	3.17%	2.55%	2.57%	2.75%
Personal	6.83%	6.08%	6.08%	6.10%
Money Order	3.70%	3.05%	2.93%	3.11%

Depending on your income and the amount of the check, you may be charged an average of 2.39% to cash a payroll check of \$100 to \$500. You may even pay up to 6.83% for personal

checks less than \$100 – that’s nearly \$7 for cashing one check.

Many banks and credit unions offer checking accounts that require only a small amount to open and you can maintain an account with little or no monthly fees. Also, many may waive monthly fees if you have a recurring check directly deposited to your account.

Basic Checking Account Guidelines

- Can be opened with \$25 or less
- Has a maximum monthly charge of \$3
- Minimum of 15 free withdrawals a month
- Includes at least eight checks per month

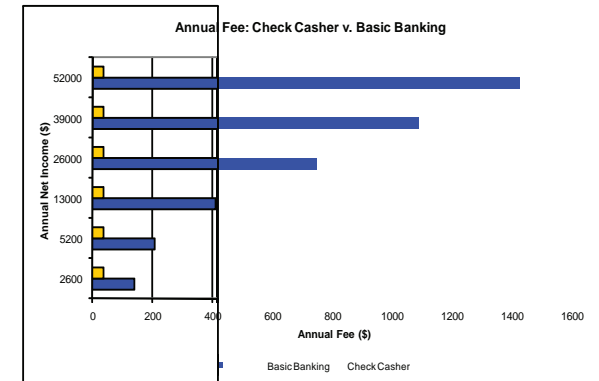
If you use check cashing services, you will spend considerably more than the maximum \$36 per year that it may cost to maintain a basic checking account. Annual fees paid to check cashers could range from \$140 to \$1,424 to cash weekly payroll checks and to purchase money orders.

Monthly, you would pay a check cashing company 4 to 40 times the fees charged for a checking account – that’s \$100 to \$1,000 or more each year that you could have saved!



If you are under 18 or over 65, Massachusetts banks and credit unions offer a checking account free of monthly charges.

Check Casher Fees vs. Basic Banking Checking Account



The fee to use a check casher was determined by using the average percentages paid to cash payroll checks. This assumes that payroll checks are cashed weekly and that eight money orders per month are purchased at a cost of 75 cents each. Additional fees charged to cash personal checks were not included.

In addition to checking accounts, most banks and credit unions offer a variety of deposit products and services including ATM, debit cards, and electronic banking options. Fees may vary based upon your balance and the number and type of transactions you make. You should consider what your needs are and then determine which bank or credit union can best meet them.

Another advantage of having a checking account is that this banking relationship can lay the groundwork for establishing a future credit relationship. This may help to create greater lending opportunities and increase access to credit and other banking services.