



Choosing a Bank or Credit Union

There are many bank or credit union options available to you. You may have kept the same bank or credit union you used as a civilian, or you might be shopping for a financial institution that better meets your needs. When deciding on a bank or credit union, you should consider the following factors: convenience and accessibility; available services; fees, charges and requirements; security and, most of all, compatibility to your lifestyle and financial needs.

CONVENIENCE

For most people, convenience and accessibility are major factors in choosing a financial institution. The most convenient financial institutions offer numerous electronic banking options, have a large ATM network, offer all the services you need to manage your money, and can be accessed from locations across the United States or worldwide.

AVAILABLE SERVICES

What services are offered at your prospective bank or credit union? Look for an institution that offers a wide variety of services. Some services you might be interested in include:

Electronic banking options: Does the bank or credit union offer online bill pay, remote deposit or transfers? Can you access and manage your account with a cellphone or mobile app?

Overdraft protection: If you overdraw your account, what happens? You may be able to link your checking account to a savings account or line of credit to protect yourself.

Credit and investments: Does the bank or credit union offer credit cards, competitive loan rates, and investment services?

Interest: How much interest is paid on various accounts and when (daily, monthly, quarterly, yearly)? To compare rates offered locally to those from

financial institutions around the nation, visit www.bankrate.com.

Customer Support: Does the bank or credit union offer adequate customer support? Can you easily reach a customer support representative without having to go into a building or without a lengthy phone wait?

SERVICE CHARGES, FEES, AND REQUIREMENTS

All banks and credit unions have account requirements, fees, and service charges. You should fully investigate what those are and determine whether they are reasonable for your banking needs. By law, institutions must tell you about all applicable service charges that you will be charged. Here are some of the common service charges, fees, and requirements you might find when shopping for a bank or credit union:

Monthly service or maintenance fees: Although some institutions (more credit unions than banks) offer “free” checking, many charge a monthly service or maintenance fee. Additionally, on some accounts, you may be charged a service fee for going under a minimum balance. Be sure to find out whether the accounts you are considering require a minimum balance and the fee for going under this amount. If fees for minimum balances are charged, it may be more cost effective to have a non interest-bearing account and avoid the service fees.

Usage fees: Is there a usage fee charged when you go beyond a certain number of transactions or if you do not use the account for a certain length of time?

ATM fees: You will probably pay a fee or fees ranging from \$3-\$7.50 to use another bank’s ATM. Avoid excessive ATM fees by using a bank that does not charge you to use their ATM or see if your financial institution reimburses ATM fees.

Foreign transaction fees: These fees are charged per transaction and may also include a percentage of a cash advance or purchase. They are charged every time you

use a card to get cash at a foreign ATM (which usually offer the best currency exchange rates) or to make purchases abroad. Since deployment is an essential part of the military lifestyle, these should be carefully considered when choosing a bank or credit union.

Online banking or bill pay fees: Is there a charge for paying your bills online? Do you have to pay to sign up for online account or app services?

Check writing costs: What does it cost to purchase checks? Can they be ordered online? How many checks do you need to write each month, and is there a fee for writing checks?

Overdraft fees: What is the charge if there is not enough in the account to cover a check, transfer, or withdrawal? Financial institutions usually charge \$25 to \$35. The bank may overdraw the account to pay the check or honor the debit, or they may not honor it at all but still charge you the non-sufficient funds fee.

Overdraft protection: What are the costs associated with this service? This fee is typically between \$20 and \$30 each time the financial institution pays an overdraft transaction. You may also have to pay interest to use overdraft funds.

Ideally, you should maintain adequate funding in your account, making this service unnecessary.

Stop payment fees: If you make an error with a check or payment or cancel an order after a payment has been sent, you have the right to request that your bank or credit union stop payment on transactions that have not yet been processed. You must allow the bank sufficient time to carry out your request, and there is usually a charge for the service.

Fees for paper statements: With the move to electronic (paperless) statements, some banks and credit unions may now charge a fee for providing a paper copy of bank statements or for printing older statements. A good practice to avoid this fee is to routinely download and save your statements.

Fees for research assistance: If you need help with your account from a customer service representative, you may be charged for this service. The charge will usually occur if your account requires extensive work, often because your statement has not been reconciled for an extended period of time.

Fees to close an account: Some accounts will include fees, averaging from \$5 to \$25, for closing an account within the first 90 days.

COMPATIBILITY

Most importantly, a financial institution needs to be compatible with your lifestyle and banking needs. Service members and their families often have unique banking needs that cannot be met by all financial institutions. Here are things to consider when deciding whether a bank or credit union meets your needs:

Does it allow for direct deposit? Oddly, some small banks may not offer the option of military direct deposit.

Are you able to access your account(s) remotely? And ideally, can you access them from anywhere in the world, by computer or phone?

Can you deposit checks remotely and pay your bills online? If so, are there fees associated with these services?

Does your bank or credit union offer no-fee ATMs or ATM fee reimbursement (in case your bank does not have a branch or ATM when you move)? Many institutions offer interactive maps on their websites that let you search for branch offices, dedicated ATMs, and no-fee shared ATMs.

Does your bank or credit union offer deployment status services (e.g., interest rate reductions, bill deferment)? Although not offered at all financial institutions, you may find that some military banks and credit unions cater to deploying service members through a wide range of services and perks.

What are the bank's guidelines for honoring powers of attorney? Some financial institutions require a power of attorney to be filed in-person and in advance of a deployment.

