

Choosing a Personal Bank - 9 Important Criteria to Consider

A banking institution is a place where you can deposit your money and have the security of knowing that it is federally guaranteed up to a certain amount even if the bank happens to fail. Choosing a bank is often a very personal decision based on family history or the area of the country in which one lives. There are also some practical considerations that should be made when choosing a place to entrust with your finances.

1. Convenient Access

If you plan on visiting your bank on a regular basis, then the nearness to your home may be important to you. Many people need to visit the bank at least once a week to deposit paychecks or cash income. Drive-thru banking facilities are very convenient, allowing customers to remain in their vehicles and conduct their business on the go.

2. Free Checking and Savings Accounts

Try to find a bank that offers a free personal checking account. Many banks now do since this has become a popular feature to advertise to potential customers. You may want a savings account at the bank as well - check to see if they offer free savings along with free checking.

3. Bank Fees and Penalties

Most banks have fees which relate to the conduct of daily business. Some of the fees include annual checking account fees, overdraft penalties, overdraft protection annual fees, minimum balance fees and other party ATM fees. Check the list of fees which each bank makes available when comparing among institutions.

4. Minimum Deposits required

Find out what the bank demands as a minimum deposit to open up a checking or savings account. In most cases the amount should be very low, i.e., less than fifty dollars.

5. Direct Deposit Available

Does the bank offer direct deposit services so that your paycheck can be automatically deposited into your account. This will save you from having to make regular trips to the bank. You can even make arrangements with your employer to have a certain portion of your paycheck deposited into both your checking and savings accounts.

6. Debit (ATM Cards) Offered

Many banks now offer their customers debit cards they can use for making purchases. These cards are very convenient because they work just like a credit card, except the money comes directly out of your checking account. They often double as ATM cards that you can use at various locations to withdraw immediate cash from one of your accounts.

7. Overdraft protection service

Check to see if the bank offers protection to your account in case you suffer an overdraft. A separate overdraft line of credit will enable you to have a cushion in case a check goes through before you have sufficient funds in the account to cover the payment. This can save you overdraft charges which are quite expensive and also prevent possible future damage to your credit rating.

8. Online Banking Services

Your bank should have a website where you can access your current account information and bank statements. It should also include online bill payment options and the ability to transfer money between accounts.

9. Interest rates

Although checking and savings account interest rates are usually fairly low. Some banks offer special promotions to open an account with a higher interest rate. Some money market checking accounts will offer higher rates than a standard account. If you plan on keeping your money in a bank savings account, you should at least get the highest possible rate.

When you're shopping for a bank, keep the above items in mind. Compare among institutions and determine the best place to store your personal and family financial wealth.

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