

## Other Resources

### Payday Lenders

- Payday lenders charge high interest rates, so you have to pay more than a traditional loan.

### Prepaid Cards

- Many people who do not have a bank account use prepaid cards as they would use a debit card, but prepaid cards offer little protection and have many fees.
- Many prepaid cards are not insured by the Federal Deposit Insurance Corporation, and government oversight for fee disclosures and other consumer protections are limited or new.
- Basic fees may be quite high and can quickly add up. Charges could include: withdrawing money at an ATM, loading the card with more money, inactivity charge for not using it enough, and calling customer service.

### More Information on Bank On It

**A list of banks and credit unions that offer affordable checking and savings accounts can be found at:**  
[www.mass.gov/bankonit](http://www.mass.gov/bankonit).

**The Massachusetts Division of Banks' complete check casher fee report can be viewed at:**  
[www.mass.gov/dob/checkcashers](http://www.mass.gov/dob/checkcashers).

### Massachusetts Division of Banks

1000 Washington Street, 10th Floor  
Boston, MA 02118-6400  
Phone: (617) 956-1500  
[www.mass.gov/dob](http://www.mass.gov/dob)  
Consumer Line:  
(617) 956-1501 OR Toll Free (800) 495-2265

### Massachusetts Office Consumer Affairs & Business Regulations

10 Park Plaza, Suite 5170  
Boston, MA 02116  
[www.mass.gov/consumer](http://www.mass.gov/consumer)  
Consumer Line:  
(617) 973-8787 OR Toll Free (888) 283-3757

### Massachusetts Community & Banking Council

P.O. Box 6276  
Boston, MA 02114  
[www.mcabc.info/basic\\_banking](http://www.mcabc.info/basic_banking)  
[www.basicbanking.org](http://www.basicbanking.org)  
(857) 350 - 4916

### Massachusetts Credit Union League

845 Donald Lynch Boulevard  
Marlborough, MA 01752-4704  
[www.maleague.org](http://www.maleague.org)  
Phone: (508) 481-6755  
(800) 842-1242

### Massachusetts Bankers Association

One Washington Mall, 8th Floor  
Boston, MA 02108-2603  
[www.massbankers.org/](http://www.massbankers.org/)  
(617) 523-7595

## A Massachusetts Consumer Guide

# SAVE MONEY!

## BANK ON IT



**Charles D. Baker**  
Governor

**John C. Chapman**  
Undersecretary

Do you have a bank or credit union account where you can cash or deposit checks? If not, consider getting one.

Using check cashers or payday lenders can be costly: they often charge high fees for each transaction. You could save hundreds of dollars a year by using an affordable bank or credit union account rather than using expensive check cashing services.



### Basic Banking Accounts

In Massachusetts, many state banks and credit unions offer low cost checking accounts. Here is general information about such accounts:

- Basic accounts can be opened with a starting amount of only \$25 or less.
- There may be up to a maximum monthly charge of \$3, that is only \$36 each year. Check cashers charge fees that could cost you hundreds of dollars per year.
- A basic account also offers at least 15 free withdrawals per month, a \$10 minimum balance, and 8 free checks per month.

### 18-65 Accounts

Massachusetts state-chartered or co-operative banks or trust companies offer free checking and savings accounts for people aged 18 and under and 65 and over.

### The Benefits of a Basic Banking Account

#### Good things come to those who bank on it!

- Save money when cashing your check. Banks and credit unions usually charge fewer fees and the fees they do charge are less than check cashers.
- Many banks and credit unions offer ATM services and electronic banking options for customer convenience.
- Having an account allows you to write checks and use a debit card to pay bills.
- Many banks and credit unions provide budgeting tools and advice.
- Many banks and credit unions allow funds to be transferred to pay bills online and through mobile banking.
- Use your account to purchase items over the internet or by phone or to send money to family and friends safely and quickly.
- A banking account allows a safe way to save for emergencies and long-term needs such as college, a car, or a home.
- Direct deposit your paychecks.
- Build a relationship with your bank to have better access to credit on fair and more affordable terms, resulting in lower interest rates on loans.
- Protect your household from theft and reduce your vulnerability to discriminatory or predatory lending.
- Your deposits in FDIC or NCUA insured institutions are insured against institution failure.

Fees may vary based on your balance and the number and type of transactions you make. You should consider your financial needs and then find a bank or credit union that can best meet them.

Another advantage of having a checking account is the opportunity to lay the groundwork for establishing a future credit relationship. This may help to increase access to credit and other banking services at lower costs and interest rates.

### Check Cashers: How Much Would It Cost to Cash a Check?

Check cashers usually charge high fees for *each check cashed*, which could cost you hundreds of dollars per year.

For example, if you cashed a check in amount of \$1,000 you would pay the following fees:

payroll check—\$20.90;  
insurance check—\$25.20;  
IRS refund check—\$22.00;  
personal check—\$43.10;  
or a money order—\$28.20.

These fees would be charged each time you cashed a check.

